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CUSTOMS SERVICE BUDGET AUTHORIZATION FOR FISCAL YEAR 1989

HEARING

BEFORE THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

SECOND SESSION

JUNE 16, 1988

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CUSTOMS SERVICE BUDGET AUTHORIZATION FOR FISCAL YEAR 1989

THURSDAY, JUNE 16, 1988

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The hearing was convened, pursuant to notice, at 10:15 a.m. in room SD-215, Dirksen Senate Office Building, Hon. Lloyd Bentsen (chairman) presiding.

Present: Senators Bentsen, Packwood, Chafee, Heinz, and Durenberger.

[The press release announcing the hearing follows:]

[Press Release No. H-22, June 2, 1988]

BENTSEN ANNOUNCES FINANCE COMMITTEE HEARING ON CUSTOMS SERVICE BUDGET AUTHORIZATION

WASHINGTON, DC.—Senator Lloyd Bentsen (D., Texas), Chairman, announced Thursday that the Committee on Finance will hold a hearing on authorization of the Customs Service budget.

The hearing is scheduled for Thursday, June 16, 1988 at 10:00 a.m. in room SD-215 of the Dirksen Senate Office Building.

Bentsen said, "The Customs Service fills an increasingly vital role. It stands at the forefront of the battle to stop the flow of illegal drugs across our borders, and simultaneously is responsible for enforcing the customs laws at a time when trade is of growing importance to our nation's economy. We will want to assure ourselves that Customs has the means to carry out these jobs effectively," Senator Bentsen said.

OPENING STATEMENT OF HON. LLOYD BENTSEN, A U.S. SENATOR FROM THE STATE OF TEXAS, CHAIRMAN, SENATE COMMITTEE ON FINANCE

The CHAIRMAN. The hearing will come to order. Gentlemen, today the Finance Committee is going to hear testimony on the fiscal year 1989 budget authorization for the U.S. Customs Service. The context of that is quite a bit different from what it has been in previous years.

Previously, this Administration's budget request for Customs repeatedly sought to slash the agency's appropriation, its manpower, or both. Last year for example, the Administration tried to eliminate 2,000 badly needed positions; and those attempted cutbacks were in complete disregard for the fact that the Customs Service is a revenue-raising agency, returning to the Federal Treasury many times over what is appropriated to it.

The Congress time and time again rejected those cuts as being unwise, penny-wise and pound-foolish.

This year, we have seen a change in the Administration's position, at least proposing the minimum Customs needs to do its job. No cuts in personnel are called for, and a small budgetary increase is requested. Now, that still leaves the question of whether the budget request will provide Customs with sufficient resources both to fight the growing war on drugs and to facilitate the legitimate flow of commercial traffic across that border.

On the commercial side, I was struck by the figures showing that, since 1980, the number of imports handled by Customs has nearly doubled. It is not hard to see the evidence of that growth in my home State of Texas, with all the maquiladoras that are being built on the other side of the border.

The number of trucks backed upon the Rio Grande bridges waiting entry every day points out the need to do more, and the need to do more on drugs is obvious. Although there are some heartening improvements in the amount of drugs being intercepted, these numbers don't tell all the story. Despite stepped-up efforts, most smuggled drugs continue to reach the streets of this country.

I was born and reared down there on that Mexican border, and I know one of the counties in particular where we have a family ranch. And when I see new pickups and a new house being built, it sure isn't because the cotton crop has been good; and it sure isn't because we have plenty of grass for the cattle. Those people are in a different type of trade.

That is a county that has 32 percent unemployed, except those who are involved in drugs.

One of the reasons why I am concerned about what we are doing in Customs is what I look on as ineffective coordination and a lack of leadership. The war against drugs is being handled by 26 Federal agencies, including Customs, and they all report to the National Drug Policy Board, with eight cabinet officers as members. None of those officers is responsible for full-time drug work. As a result that effort is obviously fragmented, with agencies fighting jurisdictional turf battles and not getting the job done in my opinion.

That is why I am drafting legislation to establish a single Federal official whose full-time job is to provide the effective leadership and the coordination needed in this war against drugs.

These twin concerns of stopping drugs and facilitating within trade, there are a number of other matters we hope to explore today. For example, is the Customs Service making the best allocation of its resources? Some of our witnesses today believe that Customs has leaned too far in the direction of enforcement, both drugs and commercial; too little effort—they say—is being made to provide the sort of advice and assistance to the business community that fosters voluntary compliance with the trade laws.

We also hear complaints that some of the Customs programs to streamline and centralize operations are not working as well as advertised. I have in mind particularly the complaints I have heard about the automated commercial system and centralized examination stations. You gentlemen have heard that one before.

But those are some issues that I want to explore.

One of the other studies I have seen on the drug fight says that, if we would take ten percent of the amount of money we are spending on the drug fight now—not raising the amount any more—and put it back on the border, we would do a much more effective job of interdiction, catching the drugs there in large quantities and fewer shipments rather than letting it get into the interior and be diffused and trying to get it at that point.

Our first witness today is Mr. Michael Lane, the Deputy Commissioner of the Customs Service. Mr. Lane, if you would proceed?

STATEMENT OF MICHAEL H. LANE, DEPUTY COMMISSIONER, U.S. CUSTOMS SERVICE; WASHINGTON, DC, ACCOMPANIED BY WILLIAM ROSENBLATT, ASSISTANT COMMISSIONER FOR ENFORCEMENT, EUGENE MACH, ASSISTANT COMMISSIONER FOR COMMERCIAL OPERATIONS, WILLIAM RILEY, COMPTROLLER, AND CHARLES W. WINWOOD, DEPUTY ASSISTANT COMMISSIONER FOR INSPECTION AND CONTROL

Commissioner **Lane**. Thank you, Senator. I would like to introduce the Customs staff. On my right is William Riley, the Comptroller of Customs; on his right, Charles Winwood, Deputy Assistant Commissioner for Inspection and Control. On my left is Eugene Mach, Assistant Commissioner for Commercial Operations; and on the far left, William Rosenblatt, Assistant Commissioner for Enforcement.

Mr. Chairman, before beginning, I would like to correct a typographical error in my long statement. On page 2, the increase in air operations should be $2,262,000, rather than $262,000.

The **Chairman**. Without objection, that will be done.

Commissioner **Lane**. Mr. Chairman, if there are no objections, I would like to make a brief statement and submit my complete statement for the record.

The **Chairman**. That will be fine.

Commissioner **Lane**. I appreciate the opportunity to present the fiscal year 1989 authorization request for the United States Customs Service. I believe that you will find the fiscal year 1989 request in line with Congressional priorities and desires, perhaps even more so than earlier requests.

The request calls for $966.9 million for salaries and expenses to fund 16,099 average positions and $142.3 million for operations and maintenance of the Customs air program. We are also requesting authority for $10 million for the forfeiture funds and $1.6 million and 22 positions for reimbursable services at small airports.

The 1989 request represents an increase of $903,000 over the level set in the continuing resolution for fiscal year 1988 in salaries and expenses and an increase of $2,262,000 in the air operations and maintenance.

The 1989 request will allow Customs to continue with initiatives started this fiscal year in both of Customs interrelated primary areas of responsibility, first, as the nation's principal border enforcement agency and, in the commercial area, regulating the flow of trade across our borders, collection of duties, and the enforcement of other agency laws and regulations at ports of entry.

I believe that Customs has used its 1988 resources wisely and has made significant progress in both the commercial and enforcement areas. Merchandise is flowing more smoothly through our ports of entry, through the use of automation and more refined inspection and verification techniques. At the same time, the number of seizures of illegal substances and the amount of those seizures have increased. Air program resources are being integrated through specialized command and communications facilities, and the detection net is spreading along the southeast, Atlantic and Gulf coast and the southwest border.

Additional positions have been allocated to facilitate the movement of trade with additional inspectors and import specialists, and we are moving rapidly on our program of post-audit verifications with major increases in regulatory auditor positions. Additional enforcement personnel have been allocated to high priority programs, such as commercial fraud.

The fiscal year 1989 request will fund Customs to continue these initiatives and to further refine our major operating programs. Customs recently received a report from McKinsey and Company which provides Customs with a strategic vision for the planning and implementation of systems, procedures, and practices for changing the way Customs carries out its commercial mission.

We will begin full-scale implementation of most of the McKinsey recommendations in fiscal year 1989.

Mr. Chairman, I would like to again stress that I believe that Customs has made significant progress in 1988, that we as an agency have made strides in both commercial and enforcement missions and that this request is a realistic one, which will allow us to build upon the progress which has been made this year. This concludes my statement. We are prepared to answer any questions you may have.

[The prepared statement of Commissioner Lane appears in the appendix.]

The CHAIRMAN. Mr. Lane, as I was commenting earlier, I am deeply concerned about having a coordinated effort and some centralization of control insofar as the war against drugs is concerned. The National Drug Policy Board itself has a major responsibility; but when you have eight cabinet officers and that many various agencies involved in it, I would like to have you shed some light on what coordination of Federal effort is taking place there.

I understand that board meets monthly, and it is broken down into working committees on interdiction, investigation, intelligence and so on. How often do those kinds of working committees meet?

What is done to coordinate the activities of the Federal agencies?

Commissioner LANE. As you point out, Senator, there are two coordinating groups under the full board, one on demand and one on supply. Those committees each meet at least once a month, but under each of those there are several groups that are meeting almost continually. The coordination through the group is, I think, one of the great achievements in drug enforcement and coordination over the past ten years.

The CHAIRMAN. What do you do when you get a jurisdictional dispute? You have some strong personalities among those Cabinet officers. How are those resolved? Do you do it just by consensus?

Commissioner LANE. Some things are resolved by consensus, and some are resolved by, I guess, jawboning. The Associate Attorney General, if it is a supply reduction thing, would call in the appropriate agency heads and try to work out a solution. I could give some examples.

The CHAIRMAN. Let me give you an example.

Commissioner LANE. I would rather give you mine——

[Laughter.]

The CHAIRMAN. No, let me give you mine. Mr. Lane, here is a cable that speaks of some of these kinds of problems. We had a situation in February in the Bahamas, and I am sure you know of that case, where the U.S. Ambassador to the Bahamas talked about the poor cooperation and coordination and how between agencies that ended up in allowing a drug-running speedboat to escape from the net.

This cable goes into the details of that. Will you explain that case for me and why we didn't have better coordination on it? And are there other examples like that which hurt our interdiction effort?

Commissioner LANE. I can't explain that case, Senator, because I don't know anything about it; but I can tell you that problems that——

The CHAIRMAN. That concerns me in itself if you don't know anything about it. I thought it was a rather celebrated case.

Commissioner LANE. I do know of the resolution of the problems among the agencies, that it has been resolved.

The CHAIRMAN. It is resolved, but the speedboat with the drug runner escaped.

Commissioner LANE. That is an unfortunate truth—that more get through than we intercept.

The CHAIRMAN. But once you had a fixed radar detecting the aircraft and the Customs radar control center immediately notified the corresponding enforcement group in Nassau and gave its direction and its speed, had it under surveillance for approximately an hour, advised that an air drop was taking place——

Commissioner LANE. I am sorry, Senator; I do not know, but Bill Rosenblatt is familiar with that.

The CHAIRMAN. All right, Mr. Rosenblatt, explain it to me.

Mr. ROSENBLATT. Mr. Chairman, there was an air drop involved in that particular case to a vessel.

The CHAIRMAN. That is correct.

Mr. ROSENBLATT. And there was a mixup unfortunately in who had command and control relative to the aircraft and the boats that were in operation. We have since straightened that out with Ambassador Hallett relative to operations that are in or over the Bahamas.

Then, we have what we call the Nassau Operations Center, or OPBAT. Sometimes, though, because of scarce sources given or assigned to one of those types of operations where we have an aircraft that is both trying to watch the suspect aircraft and the boats that are in the water which are picking up the load, we feel from an air standpoint that we must follow the load, or stay on top of the load.

It becomes a problem then who follows the aircraft then; in many instances, the aircraft will go into the Bahamas because they feel they can get sanctuary there. This is no longer true with the combination of operation BAT, which is an amalgamation of DEA personnel and Coast Guard personnel; and Customs has a person assigned, or several persons assigned, over to Nassau. We also have operation BANDIT, which is Customs personnel and Bahamian defense personnel stationed at Homestet to relieve the pressure of the problem that you are speaking to relative to this cable that you have in your hand.

We are learning as we are going on, and it is unfortunate that some hard lessons along the way have to be learned, Mr. Chairman. I can assure you with a very high degree of assurance that what you are reading there is unlikely to happen in the future because of the improved coordination.

The **CHAIRMAN**. Mr. Rosenblatt, I hope you are right; but, here I read that this happened very shortly after they had had a meeting trying to hash out their differences and agreeing where control would be. Obviously, it wasn't carried out.

If I know of this one, I wonder how many I don't know of that are taking place; that is of concern to me.

I am shifting to another topic. You have had a much publicized Zero Tolerance policy program, and we obviously have to take some steps in reducing the demand for illegal drugs if we are ever to win this war on drugs. That is a given.

But I wonder about the highest and best use of Federal dollars on interdiction when I see a $2.5 million yacht seized because a crewman was in possession of a small amount of marijuana. I wonder about some cruise boat. I wonder what would happen to the Queen Mary if someone had a marijuana butt?

Commissioner **LANE**. Yes, sir. There would be no seizure in that instance. Senator, I recognize your first concern about resources being put into that, versus perhaps more lucrative enforcement areas.

I would say that there is a not a big worry in that regard because there is no one in the Customs Service who is out looking for the joint or one or two grams of any controlled substance. We have been operating this program for several months now—in fact, probably over a year now—we piloted it in San Diego.

And our strategy, and the strategy that is approved by the board is the big load strategy, that we are looking for the multikilo or multiton load; and that Zero Tolerance is a byproduct of that. If, when we are out there doing an inspection or a search and we come across a small amount of drugs, we do intend to provide some level of punishment where we can determine who the violator is.

So, we are not expending resources on Zero Tolerance. If we are out looking in the trunk of a car and we find something, there will be a penalty imposed.

The **CHAIRMAN**. Is that a different policy from that of the Navy and the Coast Guard?

Commissioner **LANE**. Sir, the Coast Guard, in cooperation with Customs, began a Zero Tolerance program; and there were a couple of programs that I think Admiral Yost himself said needed work, that needed refinement. We met with the Coast Guard; our lawyers got together and found out that we needed to make some changes in that regard.

The Coast Guard's program is now consistent with ours; they are not out on the high seas looking for those sorts of things, and there are other methods of dealing with this. We wouldn't be taking a Coast Guard cutter, or the Coast Guard wouldn't be taking a cutter off station, to bring a boat like that in.

The CHAIRMAN. I assume my five minutes have expired. Let's be sure we are running that clock. Senator Packwood?

OPENING STATEMENT OF HON. BOB PACKWOOD A U.S. SENATOR FROM THE STATE OF OREGON

Senator PACKWOOD. Mr. Chairman, if I might make an opening statement and then ask some questions?

The CHAIRMAN. Yes, of course.

Senator PACKWOOD. I have two principal concerns that I will question you about today, in addition to all of the other general problems of the Customs Service. By and large, you do a good job.

But we are running into this problem first on the West Coast, and that is port shopping because of the difference in the enforcement of Customs regulations on imports. You will have a textile brought in, perhaps in the port of Portland; and the Customs Service there will say this is a dishrag, and there is a 10 cent levy on it. It will come into Seattle and they say: No, that can be used as a dollskin; there is no levy on it.

Clearly, importers are going to look around—just like lawyers look around—to find the best forum into which they bring their products. What it lends itself to is a "beggar thy neighbor" attitude, forcing almost every port to try to put pressure on its customs people to classify items at the lowest possible rate.

And that is one of the reasons I have introduced legislation indicating that, within a Customs district—I am not trying to make you do it nationally because very frankly the problem seems to exist more within the districts than between the districts—and where you cannot rationalize the difference, where there is clearly a difference, within 72 hours, then the lowest fee will be applied throughout the entire Customs unit, until you resolve it.

And maybe you resolve it to raise it every place, but at least we will end this interminable port shopping, forcing every port to almost cheat to compete with some other port that is cheating; and that isn't fair. It isn't fair to the port of Portland, and it isn't fair to anybody else.

Second is a problem that I think at least your district offices are well familiar with, and that is the problem of the lack of sufficient Customs drug interdiction personnel in southern Oregon, in Medford.

You are familiar with the study where the sheriff's office there has determined that about 90 percent of their burglaries are drug-related. The Customs Service has very clearly indicated they need more personnel in southern Oregon, and they would be stationed or centered in Medford. A fair portion of the district's travel expenses last year were people going out of offices in Portland or Seattle traveling to Medford, staying overnight in Medford, staying weeks in Medford, months in Medford.

And I would like to ask if you can tell me what the Customs Service plans are for personnel increases in Oregon and especially in and around the Medford, Oregon area?

Commissioner LANE. Yes, sir. In regard to the first problem, we acknowledge it. We know we have a big problem; we have been hit in the face with it several times. GAO has had several studies on it. Our McKinsey report that we commissioned ourselves talked about the uniformity and the port shopping problem.

We have a major case that we call CBEMA and the Congress and importers have brought it to our attention. We have made a commitment to ensure uniformity of classification and uniformity of treatment throughout the Customs Service.

This is a long-term program; it includes at least five major elements. The first is to recruit, train, and develop import specialists. Second is automation, including ACS, but more importantly the automation of the Customs Information Exchange and its automated selectivity.

The third is preclassification, so the importers will know in advance what the rate of duty and what the classification would be. The fourth is quality assurance; and the fifth is improving the quality of the invoice so the import specialist can make a proper determination.

Probably the basis for the whole thing will be accountability on the appropriate Customs personnel to ensure uniformity throughout the product lines. So, Senator, we know of the problem; we are addressing it. I don't think that there is an issue in the commercial area that is getting more attention from Customs right now; and I think we have the beginning of a nation-wide solution.

Senator PACKWOOD. Now, what about personnel in southern Oregon?

Commissioner LANE. I don't know.

Senator PACKWOOD. Do you know if the Customs Service has made a request for additional personnel in southern Oregon?

Commissioner LANE. I am sure Bill does.

Mr. ROSENBLATT. Yes, I do, Senator.

Senator PACKWOOD. Can you tell me about it?

Mr. ROSENBLATT. Yes. In January of this year, we received a request from our Special Agent in Charge in Seattle through our regional office. We have been considering that request, and I know you could possibly come back at me and say: Does it take you six or seven months to consider it?

We are looking at the possibility of three criminal investigators for the Medford grant area. However, whether they come out of new positions or reallocation within the region is one of the things that we are addressing right now. But we acknowledge your concern, and it was surfaced by our people out there that there is a lot of TDY being expended.

And until such time that we can justify through that increased expenditure or what I would call "unreasonable expenditure" in going to the Medford/Grand Pass area from our other offices, such as Coos Bay or out of Oregon or out of Astoria, I think it would be better from everything I have seen if we seriously consider the reallocation of some positions within the region or some new positions in 1989.

Senator PACKWOOD. I will help you do either.

Mr. ROSENBLATT. Thank you, Senator.

Senator PACKWOOD. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Heinz?

Senator HEINZ. Mr. Chairman, thank you very much. I ask unanimous consent that my statement appear in the record at the appropriate point.

The CHAIRMAN. All right. That will be done.

[The prepared statement of Senator Heinz appears in the appendix.]

Senator HEINZ. Excuse me, Mr. Chairman, but I am about to sneeze. [Laughter.]

The CHAIRMAN. While you are sneezing, I would say, Mr. Lane, that I will be submitting a number of written questions that I would like to have answered and so will Senator Moynihan and so will Senator Riegle.

Commissioner LANE. Yes, sir.

[The questions appear in the appendix.]

Senator HEINZ. Mr. Chairman, that matter has resolved itself.

The CHAIRMAN. All right. [Laughter.]

Senator HEINZ. Mr. Lane, one of the subjects I would like to ask you about is the extent to which the Customs Service has a good system and feels a responsibility to take the necessary steps to ensure that, when there are actions under our trade laws—for example antidumping or countervailing duty actions which have gone through, if you will, the due process of the Commerce Department and so forth, since we went to a lot of trouble to put them on the books; people spent a lot of money petitioning; there is a lot of hard work at the ITC and the Department of Commerce—that, in fact, where a duty or other restraint has been imposed, that it is actively enforced by the Customs Service.

Maybe to deal in specifics is better than dealing in generalities. The case I have in mind that would be most illuminating involves Photo Albums, which I assume you have some familiarity with? That case goes back to 1985 when the Commerce Department imposed an almost 65 percent dumping duty on photo albums and photo album filler pages from Korea.

Since then, the domestic industry has provided to the Commerce Department objective evidence of the circumvention on a massive basis of that order by shipping photo albums and filler pages through third countries.

And yet, until very recently, it is my understanding that only very limited action has been taken to stop that practice. My question would be: How do you view the Customs Service responsibility in policing compliance with the antidumping and countervailing duty orders—in this and in similar kinds of cases?

Commissioner LANE. Senator, as you point out, Customs is only one of the agencies responsible for that. We take our enforcement responsibilities very seriously, and a lot of the cases we make in the fraud area are antidumping and countervailing duty.

I hadn't heard anything about the photo albums in recent weeks. We have had a lot of complaints about Customs being overzealous in that regard. We have had our agents overseas checking out transshipments in several countries, finding out if these countries have the capability of producing those types of photo albums. We have made cases on transshipment of them.

We have been to several countries, had our attaches out there, and we have stopped several shipments. We have had complaints from people saying that these shipments are a legitimate product of, say, Indonesia or one of those countries.

So, I think we have been doing a pretty good job.

Senator HEINZ. Are you saying that your policy is that, if a domestic industry brings you credible evidence that diversion is taking place through a third party, you view it as your responsibility to investigate that credible evidence and to determine whether diversion or circumvention is, in fact, taking place?

Commissioner LANE. It is our policy, and I would say that it is the reality in this case, that we have done that. And in the steel areas and in other areas, we have made significant cases on antidumping.

Senator HEINZ. As somebody who has followed the particular case I mentioned—the photo album case, with which I gather you don't necessarily have a huge amount of familiarity—it would appear that there has on occasion been some lack of coordination between Customs and Commerce in this area. And without really good coordination, Commerce Department orders can become rather empty remedies.

My question, is: Are there any steps that should be taken, either by you or by Commerce, to improve coordination?

Commissioner LANE. We are taking steps with Commerce, and we will definitely check out what you are saying on the photo album case; but in the general area of coordination on antidumping and countervailing duty, we just signed an agreement with Commerce where we would provide them a terminal on our automated commercial system where they could key right in information on antidumping/countervailing duty cases to make them available to import specialists.

This is a very important, time-consuming job, and we think this is going to help us do what Commerce wants us to do and improve the information flow between us.

Senator HEINZ. One last question on a different subject. On several previous occasions in this committee, I think first in 1984 and then subsequently in 1985, I proposed two amendments to this authorization. The first was on the sharing of grand jury information developed by the Justice Department in criminal investigations of customs fraud with the Customs Service, which of course pursues civil cases.

On previous occasions, the Customs Service has testified that they are in favor of that; and indeed, I believe it was an Administration position to be in favor of that. What is the position, first, of the Customs Service and, second, of the Administration?

Commissioner LANE. Customs still favors it; I don't know the Administration's position.

Senator HEINZ. Could you find out if your position is an Administration position?

Commissioner LANE. We will.

Senator HEINZ. I might add, Mr. Chairman, on several occasions members of this committee—in particular, Senator Mitchell—have said that they need more time to study the implications of this. I want to make the point that from 1985 to 1988 should have been sufficient time; and if there are any questions about it, they should have been raised by now.

On other occasions, the committee has supported the second of these amendments, which is to lengthen the statute of limitations in Customs negligence and gross negligence cases. It currently runs 5 years from the date of the violation. What I proposed in my amendment was to have it run 5 years from the date of the discovery of the violation.

What is the Customs position on that in a couple of words because my time has expired?

Commissioner LANE. We support your support on that, Senator.

The CHAIRMAN. Thank you.

Senator HEINZ. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Chafee?

Senator CHAFEE. Thank you, Mr. Chairman. Did I see here that you have some P3As?

Commissioner LANE. Yes, sir.

Senator CHAFEE. Yes? Those must be pretty old aircraft, aren't they?

Commissioner LANE. I don't have the age on them; Mr. Rosenblatt might. They probably are fairly old.

Senator CHAFEE. I am sorry that I missed a part of this. Were you just discussing the McKinsey Study?

Commissioner LANE. I just made a brief mention of it, Senator. I didn't get into any of the details of it.

Senator CHAFEE. What kind of a timetable do you see on the implementation of those recommendations?

Commissioner LANE. Senator, it varies. The McKinsey report identifies what they call 22 opportunities for Customs to improve its commercial activities and improve its service to the importing community. Many of them we have under way; some of them are almost completed.

We do have a chart tracking each of them, and we have established goals for the completion of them. For instance, for paperless entry, we have a goal of 20 percent by the end of this fiscal year. For paperless entry summary, which is another part which would we mean we would be in a completely automated environment, we are saying that our goal is something like 40 percent by the end of the year.

So, the 22 recommendations we have put into a GANT or a PERT chart to determine time frames.

Senator CHAFEE. What do you think of these ideas about having the military service work with you folks and supplement or compliment your activities?

Commissioner LANE. I think we need the military, and I think they can make a tremendous contribution to drug interdiction.

Senator CHAFEE. In what particular ways?

Commissioner LANE. In the specific area of detection in air. I think the military should be given a charter that they are in charge of and accountable to the apprehension agency for a 50 or 60 percent detection rate in the air arena and that that information be provided to the Customs Service as the agency responsible for apprehension to put our aircraft up and chase those targets in and make the apprehensions.

And I think that the military, given that charter, can use whatever resources—if it is P3s, if it is AWACS or over-the-horizon radar—it is a simple charter. It is vitally important, and it best uses the technological capabilities and resources.

Senator CHAFEE. And who would do the arresting? You folks would?

Commissioner LANE. Yes, sir.

Senator CHAFEE. What is an aerostat?

Commissioner LANE. An aerostat is a balloon like a Zeppelin, a tethered balloon that has a radar capability that is used for air interdiction. It looks out over about 100 or 150 miles to pick up air targets.

Senator CHAFEE. Is it manned?

Commissioner LANE. No, this is not manned. It is tethered, and the radars are down on the ground and hooked into our command, control and communications centers.

Senator CHAFEE. I notice that you are going to deploy six of these. Do you have any of them deployed now?

Commissioner LANE. We have several deployed in the southeastern United States. We have just recently put one up in Fort Muachucha, Arizona; and we are going to put five more along the Southwestern United States, giving us a good detection capability in that part of the country.

Senator CHAFEE. Are they pretty good, pretty effective?

Commissioner LANE. They are very effective, Senator. We are putting two more in the Caribbean as well. They are extremely effective in air interdiction. I really believe that the success of Customs effort in the southeast is what has forced the air smuggler over to the southwestern border of the United States.

Unfortunately, we do not have aerostats there; and the air smuggler is doing very well. So, we didn't use to see much air smuggling, particularly of cocaine, in that area; and there is lots of it right now. When we get the aerostats up and operating, I think Customs will deliver as we have in the southeast on air.

Senator CHAFEE. What kind of an appraisal would you give of the interdiction efforts against drugs now—air interdiction?

Commissioner LANE. Air interdiction?

Senator CHAFEE. Yes. What percentage do you think you might be getting? You or those with whom you are associated—the Coast Guard and so forth?

Commissioner LANE. Senator, in the southeastern United States, I give us high marks. I think we have caused tremendous disruption of the smuggling there. I think we have pushed it over——

Senator CHAFEE. You are talking about Georgia now and Florida?

Commissioner LANE. I am talking about the southeastern United States, but particularly south Florida and in the Bahamas area. Where I don't think we are doing so well is in the Gulf and in the southwestern United States.

When we complete the plan that we have for implementation, I think air smuggling will be one of the successes in interdiction.

Senator CHAFEE. How much more money total have you asked for this year?

Commissioner **Lane**. $903,000 in salaries and expenses, and $2.2 million in operation of the air program.

Senator **Chafee**. Thank you. Thank you, Mr. Chairman.

The **Chairman**. Commissioner, I had one other question, and that was on last year's budget reconciliation bill. We had a provision put in there for a private sector advisory committee on commercial operations of the Customs Service.

It is my understanding that that is not up and running yet. I don't quite know why. It seems to me that you have had adequate time. When do you anticipate that you will have the members' names for that?

Commissioner **Lane**. Senator, it is the responsibility of the department, and they are working on it. They published the notice in the Federal Register asking for participants. They have the names; they are working on them right now, and I assume that the announcements will be made within the next few weeks.

The **Chairman**. I will look forward to that.

Commissioner **Lane**. Yes, sir.

The **Chairman**. Are there other questions?

[No response.]

The **Chairman**. Thank you, gentlemen. Thank you very much.

Commissioner **Lane**. Thank you.

The **Chairman**. Next, we have a panel consisting of Mr. M. Sigmund Shapiro, Chairman, Government Affairs Committee, National Customs Brokers and Forwarders Association of America, Inc., Baltimore, Maryland; Mr. Tom Zelenka, Manager, Government Relations, Port of Portland, Portland, Oregon; Mr. Eugene J. Milosh, President, American Association of Exporters and Importers, New York, New York; and Mr. James K. Gordon, Director, International Affairs, Airport Operators Council International, Inc., Washington, DC.

Senator **Durenberger**. Mr. Chairman?

The **Chairman**. Yes?

Senator **Durenberger**. I need to submit a couple questions for the record for Mr. Lane. I apologize for not being here.

The **Chairman**. That will be accepted and done. Thank you, Senator Durenberger.

[The questions appear in the appendix.]

The **Chairman**. Mr. Shapiro, if you are prepared to proceed?

STATEMENT OF M. SIGMUND SHAPIRO, CHAIRMAN, GOVERNMENT AFFAIRS COMMITTEE, NATIONAL CUSTOMS BROKERS AND FORWARDERS ASSOCIATION OF AMERICA, INC., BALTIMORE, MD

Mr. **Shapiro**. Thank you, Mr. Chairman. My name is Sigmund Shapiro. I am the President of Samuel Shapiro and Company, a Customs broker in Baltimore, and a member of the Board of Directors of the National Customs Brokers and Forwarders Association of America; and I am very happy to appear as a spokesman for our industry.

As you know, we work probably more closely with Customs than any other private sector entity; and we feel that Customs could be doing a much better job in collecting revenues and facilitating trade.

While commissioners come and go, the most consistently lingering problem is that Customs is so reliant on symbols, easy answers, and appearances that the agency fails to attack the task of getting the job done. The McKinsey Report is a good example of this symbolism. It was a self-serving report that tries to justify everything that Customs has been trying to do. They practically wrote it themselves.

There are many examples of Customs' ineffectiveness, and it may be instructive to identify a few. The CES, the Cargo Inspection Station, is a good example. When Customs developed the CES, it sounded pretty good from Washington. The formula did, in fact, make sense in places like Los Angeles. Centralization improved processing time, focused movement of inspectors, and provided a more orderly system. It didn't make sense, however, at JFK Airport, as the General Accounting Office found. An airport is inherently centralized, and transfer of goods to an off-airport decentralized station hindered the examination process and exposed the goods to pilferage. It cost a lot of money and drew the enmity of carriers, brokers, and Treasury employees alike. It made no sense in Laredo, where border delays are only exacerbated by a system of separating cargo at the line for diversion elsewhere. In fact, the CES only works where the agency takes pains to listen to commercial sector ideas and adapt those that make sense.

For example, if an inspector is sitting here, a CES is over there and the cargo is next to the inspector, why move it to a CES if the inspector can simply get off his chair and look at it? They don't use that kind of——

The CHAIRMAN. Get off his what?

Mr. SHAPIRO. Off his chair.

The CHAIRMAN. Oh. [Laughter.]

Mr. SHAPIRO. They use a formula approach, together with a lack of predictability in its operation; and it has proven to be a poor mix, as you in Congress concluded last year. A GAO audit has only begun to scratch the surface, and the report that has come out was really only a very preliminary report; and we urge the Congress to get them back into the act and let them look at it again.

Fortunately, Mr. Chairman, the Finance Committee—principally through the efforts of Senator Moynihan—suspended some CES operations and commissioned a GAO study to see where changes are needed. That study, as I said before, isn't complete; and we hope that you will impress on the GAO the necessity to dig deeper.

Selectivity is at the heart of Customs enforcement operations. In a nutshell, it is the automated decision as to where to examine cargo. The increased reliance that Customs places on selectivity to make its decisions is of concern to many trade professionals.

While admittedly Customs cannot make coherent, thoughtful decisions about all cargo that must be examined, there is good evidence to show that this automated system is becoming less a tool to enhance decision making, but increasingly a substitute for that process all together.

In other words, Customs is becoming a captive of its own automated process. It requires the input of, for example, a code for a manufacturer, a code for a shipper, a code for a vessel, a code for a country, and a code for the merchandise. Well, smugglers can soon learn what those codes are and can circumvent the system. There is less opportunity for inspectors to override this automated judgment and more and more instances of automation run amuck.

One of the most important things that the trading community has found is that there is a lack of availability of import specialists. At the heart of the Customs Service, in its efforts in enforcement, is the Customs import specialist. Yet, the ranks of the import specialist have shrunk, and his availability has been reduced.

Uniformly across the country, Customs brokers are experiencing a sharply reduced resource. Staffing levels are down, with a consequent sharp upturn in workload. It is little wonder that calls to an import specialist either go to an answering machine or are greeted with the inevitable busy signal. Phone messages or messages left on recordings are unanswered for 48 hours.

Flex time has permitted work days to end at 3:00, before the shipping community goes home. And recently, Customs has taken to establishing prime working hours of the day as "quiet time." They are providing seclusion for these import specialists because there are not enough import specialists to go around. This has resulted in the degradation of the quality of those answers that we get from import specialists, when received.

To further complicate matters, Customs has given exceptional treatment to courier shipments. This has been a bone in the throat of the brokerage industry and the small airport broker for a long time.

Customs treats the couriers as if they were special to them. Through two rule-making proposals in 1987, Customs has acquiesced in a new filing system and provided new service features for couriers that, on the surface, position the agency as exponents of modernity.

Customs argues that it should not be a factor in the economic marketplace, and it should expedite, not impede, progress. Wrapped in the flag of progress, Customs threatens the undoing of an effective system of compliance and, in fact, tilts the economic balance toward an alternative delivery mode that is not really new.

Mr. Chairman, our association would like to take this opportunity to comment on proposed revisions to the ad valorem user fee being circulated by Customs.

The CHAIRMAN. Mr. Shapiro, your time has expired.

Mr. SHAPIRO. I am sorry.

The CHAIRMAN. We will take your entire statement in the record, and I appreciate the candor of your presentation.

Mr. SHAPIRO. Thank you, sir.

[The prepared statement of Mr. Shapiro appears in the appendix.]

The CHAIRMAN. Mr. Zelenka?

STATEMENT OF TOM ZELENKA, MANAGER, GOVERNMENT RELATIONS, PORT OF PORTLAND, PORTLAND, OR

Mr. ZELENKA. Thank you, Mr. Chairman and Senator Packwood. Thank you for considering the Customs uniformity issue today. I have submitted a statement for the record. If it is all right with you, I will just highlight a few points.

The CHAIRMAN. Yes, of course.

Mr. ZELENKA. Thank you. I am here testifying on behalf of the Port of Portland today, but also I am here to express the continuing interest and concern on the Western States Coalition for Effective U.S. Customs Service, a group of all the West Coast ports that have a concern about the uniformity issue.

Also in the audience is Eric Stromberg, the head of the American Association of Port Authorities, as other ports also have an interest in this.

The problem of lack of uniformity and inconsistent Customs decisions, and the port shopping that it has induced, is a difficult issue to address. That was the purpose for which the coalition was created and commissioned a study to investigate it, and we are grateful to hear Deputy Commissioner Lane today express the position of the Customs Service—that they recognize that it is a serious problem.

We also want to say thank you to Senator Packwood for introducing the legislation that clearly followed on that study's report.

To summarize, the problem is that inconsistent decisions made by Customs officers in the various ports of entry have caused importers to select ports based upon the degree and nature of Customs enforcement. We do believe that the Customs laws should be applied uniformly, and implementation should not become competitive factor between the ports or between shippers utilizing different ports.

Let me just highlight one example. There was an importer of fishnet material whose product was denied entry at Port A by Customs staff due to the use of an allegedly incorrect category number. The importer uses the netting to manufacture a product here in the United States, in Astoria, Senator Packwood.

Customs required the netting to be held at the dock. Meanwhile in a neighboring port in a different Customs district, a competing importer importing the same product from the same supplier using the same category number was able to bring it in. When brought to the attention of Customs, officials continued to deny entry in Port A, while allowing it to continue to be brought in through Port B.

An accelerated review was requested. Meanwhile, Importer A—his netting still held hostage—was accumulating storage costs, losing orders and customers, and even forced to purchase at a hefty premium the same netting from one of his competitors off the dock at the other port in the other Customs district.

Four months later, it was concluded that the category number was correct, and the netting was released; but the bottom line was: the damage was done; the importer lost business, as well as the port.

There are numerous other examples, not only on the West Coast but, as you are aware, Baltimore, Savannah, and Houston come to mind. In the study that was released last year by the Coalition, it was noted that 70 percent of the Customs broker community believes that Customs' policies, procedures, regulations are not applied uniformly across the districts. This lack of uniformity among districts reflects importers switching ports to those which are "easier" on the merchandise.

I would submit that it would be much more desirable for the application of Customs' laws to be uniform at all ports so those companies will not be forced to select ports based on the inefficiencies of Government law enforcement.

We are not advocating lenient treatment. We are advocating uniform treatment. Existing procedures do exist, as the Commissioner was outlining; but we don't believe they are fully working. The ports and the shippers need relief now.

A protest could take up to several years. In fact, an importer who wishes to protest must be prepared to spend a significant amount of time and money to pursue that claim. As mentioned earlier, it is not unusual for a four-month or more delay.

The existing mechanism leaves importers with one real choice: quietly divert cargo to another port in search of a "better" Customs environment. Since all the West Coast ports are in the same Customs region, it is easy for us—in terms of what we were able to document—to try and reconcile the differences strictly within the region, as we are friendly competitors up and down the coast, but all within one Customs region.

On the Atlantic and the Gulf Coasts, that is not the case; and we recognize that, and we would be glad to work with other interests to see if we can't reconcile differences that might occur in the different port regions.

The other issue, I think, that needs to be looked at is the issue of timing. S. 1926 would require the Regional Customs Commissioner to resolve inconsistencies within seventy-two hours. It is a short period of time but, given today's telecommunications network, FAXes, overnight delivery of packages, we don't believe that is an unreasonable demand.

I will close. I recognize the time limit. Thank you, Senator.

The CHAIRMAN. Thank you. Mr. Milosh?

[The prepared statement of Mr. Zelenka appears in the appendix.]

STATEMENT OF EUGENE J. MILOSH, PRESIDENT, AMERICAN ASSOCIATION OF EXPORTERS AND IMPORTERS, NEW YORK, NY

Mr. MILOSH. Good morning, Mr. Chairman. I am Gene Milosh, President of the American Association of Exporters and Importers, an association of over 1,200 members deeply and directly impacted by Customs commercial operations.

Whenever there is a discussion of Customs operations, inevitably there follows a discussion on the horrendous drug problem facing the United States. While AAEI is sympathetic to the magnitude and scope of the problem and its solution, ranging from use of the military armed forces to the legalization of its distribution, it is nevertheless an ideological issue that will require national debate, prioritization, and action by our society.

And we would agree with Mr. Bentsen that a fragmented approach is ineffective. However, Customs' ideological fervor and enforcement overemphasis with consequent spillover onto commercial enforcement responsibilities has been at the expense of its trade facilitation functions.

In turn, this has led to low morale and turnover in its personnel. It has also led to importer fear of cooperating with Customs on voluntary compliance, no matter how trivial. It has led to a paperwork overload and a total disregard for legitimate U.S. business interests. I might add that we have even heard from exporter members claiming lack of Customs staffing for the purpose of processing export declaration validations and instances of original export licenses that were lost and misfiled by Customs.

Somehow it is ironic that Customs collected in fiscal year 1987 over $16 billion for the Treasury, of which $15.5 billion was attributed to commercial operations and close to $643 million of that raised by the merchandise processing fee. Yet, despite the increasing revenues generated by commercial operations, Customs continues to pay more attention to its enforcement responsibilities.

Other major problems emphasized by our members include inadequate staffing; despite recent relative increases in staffing, it still caused a major backlog in processing of goods and paper. Poorly thought-out initiatives, such as the commercial seizure and Zero Tolerance policies greatly aggravate the problem.

Commercial seizures under Section 1595a(c) are depriving honest U.S. businesses of procedural safeguards extended to others, as Customs seizes and issues penalty notices, when simple detention or no detention is sufficient. Customs' reasons for seizing first and asking questions later and reason for expressly disregarding Congressional intent is simply because it is easier.

Increased costs for less service have resulted from recent Customs programs such as centralized examination stations, despite the user fees paid by importers. Lack of Customs uniformity is an increasing complaint by AAEI members. Unfortunately, new programs to increase uniformity, such as classification, appear to shift Customs' statutory burdens to the importers.

Lack of Customs' notice regarding new programs and procedures or changes to existing ones is now the service's standard operating procedure, underscoring its disregard for U.S. businesses.

AAEI requests the Congress restate to Customs that Customs has a mandate to facilitate trade so as not to impede legitimate trade. I might add that there are areas where we do cooperate with Customs; we have had a series of harmonized system seminars across the nation where we educated the importer community regarding this new classification system. We certainly ask Congress to help us implement the harmonized system as well.

Another area I could mention in cooperation is in the preclassification program of inspectors where importers agree in advance with inspectors to a schedule of product classifications; but we ask that these rulings of classification be binding on Customs, and I think it would help a great deal towards uniformity nation-wide, which I believe Senator Packwood has mentioned. Thank you.

[The prepared statement of Mr. Milosh appears in the appendix.]

The CHAIRMAN. Thank you very much. Mr. Gordon?

STATEMENT OF JAMES K. GORDON, DIRECTOR, INTERNATIONAL AFFAIRS, AIRPORT OPERATORS COUNCIL INTERNATIONAL, INC., WASHINGTON, DC

Mr. GORDON. Thank you, Mr. Chairman. I would like to emphasize just a few points from our prepared testimony. AOCI represents the governmental bodies that own and operate the principal airports in the United States that serve scheduled airline services.

Our objectives are to increase the trade and travel to our community, increase the efficiency, while reducing the costs and delays of shipping and travel. As citizens, we want to protect our communities' interests in all senses, both in developing the trade and in protecting ourselves through enforcement. We sympathize with Customs' efforts.

We have often had ambivalent feelings about Customs' role and about their performance. We provide costly facilities for Customs to work in, paid for by our communities and the users of the facilities; and our relations with Customs are nearly universally cordial and close, but we are sometimes troubled by our inability to work with Customs to get Customs to work with us to improve the transportation process or to help Customs solve its problems without disruption to our communities' trade.

Our concerns lie in five main areas. The first one is inspection staffing in its broadest terms. We would like to see an increase in the number of inspectors. We would like to see inspector staffing practices that respond to the demands of airline traffic. We would like to see new inspection procedures.

We ask every year for increased staffing, and our emphasis on the numbers has obscured our belief in the importance of setting and meeting performance standards for these procedures and for the staffing and, most important, the processing time of inspections.

I think that, if Customs can do better, we don't need large numbers of new staff. Last year, the equivalent of the entire population of the United States and Canada crossed our borders. They didn't come by car; they flew, with very few exceptions.

As you noted, the delays are dismaying. We would like to see improved passenger processing. Customs has not adopted as a nationwide standard the red/green processing system that would move the majority of people through the inspection process. What we call "citizen bypass" is disappearing and Customs and the Immigration Service are not able to work together to retain that.

Customs has its TECCS data base; the Immigration Service has its own; and we are watching as two parallel data bases develop. That will lead to double processing of passengers. We are very concerned about a firm 45-minute deadline after arrival for clearance of passengers.

The 45-minute clearance time is needed for efficient movement of aircraft. If they can meet the 45-minute standard, as they do most days, most of the time in the United States, that is great. But the inspection is inconsistent and uneven, and it is not what people are paying for when they pay their user fees.

Third, we would like to see a serious look taken at innovative cargo clearance concepts, such as centralized examination systems.

It may not be a universal solution. There are all kinds of things, though, that we should look at; and we hope that Customs will help us test new concepts to increase processing efficiency and enforcement improvement.

You have noted the spectacle of cargo processing delays, and these hurt our economies and hurt our communities.

Fourth, we would like to see Customs reconsider the program's impact on the computerized cargo clearance systems. These systems could increase the efficiency of brokers and forwarders, speed the arrival and handling of cargo by carriers of all modes, and improve the Customs Service's productivity.

They could help the airports make more effective use of scarce space on the airports. We are very much pleased with that prospect, but we hope that Customs will help these systems work and that the systems will be able to serve all participants in the trade process, preserving competition and the economic benefits.

And fifth, we would like to see greater accounting transparency in the user accounts. Passengers' and cargo shippers' user fees do not result in consistent high levels of inspection services. Mr. Lane's testimony noted a number of new applications of user fee revenues. The user list seems to grow constantly.

It seems to us that most of the user fee revenues ought to be used for the main functions of cargo clearance and passenger inspections. That was the purpose for which they were collected; and, without accountability, there can be no connection between the fees and the Customs' costs.

Mr. Chairman and Senator, Packwood Congress has successfully helped many Government programs sharpen up by imposing some performance standards. Whether in passenger inspections or commercial operations to clear cargo, whether in automation or enforcement, we ask that you express your intentions to Customs in clear terms and help us work with them to our nation's benefit. Thank you, sir.

The CHAIRMAN. Thank you, Mr. Gordon.

[The prepared statement of Mr. Gordon appears in the appendix.]

The CHAIRMAN. Mr. Shapiro, you were talking about the short shrift that Customs gives to the hiring of import specialists and the problems that result and the delays in commercial entries. What would you suggest in that regard?

As far as trying to legislate a specific number to be hired, I have some concern with micromanaging. You have to give considerable discretion to management in these things.

Mr. SHAPIRO. Last year, for instance, on the West Coast they were successful in getting a great number of employees, in the Port of Los Angeles. All of those went to drug interdiction; none of them went to commercial operations. I think that perhaps Congress can direct that any new employees be placed in the commercial operations field.

Second, Customs is making some efforts to cross-train some of their employees. They have this concept called the Trade Inspector, which is supposed to combine the work of the inspector and the import specialist; but they have blown that out of the water. I mean, it created another officer who is going to look down on the importer and see what he can do to browbeat him.

I think what has to happen—and it is part of Senator Packwood's desire for uniformity—is that an import specialist can be given a great deal of assistance if Customs would have use its automation properly.

They have been at it since 1967, and we said in 1967 that the first thing Customs ought to automate is the Customs information exchange. The system should incorporate all the Customs decisions so that an import specialist would not have to pick up a phone or write a message to the national headquarters in New York to get a ruling on a classification.

The Chairman. Let me ask you about the CES, about which you have been very vocal—that is, your organization—in opposition to it. Do you think that is a question of an approach that was just bad from the outset? Or do you think it can be overhauled and made to work better?

Mr. Shapiro. I think it can be overhauled if Customs were to listen—as I said in my statement—to the private sector, and if Customs were to use some imagination in allowing the local person on the scene to determine whether he has to move that cargo to an inspection station or whether he can look at it in situ or whether he can look at it at the importer's premises. What is cheapest for the cargo? There is no concern for the expense to the cargo.

The Chairman. All right. Mr. Gordon, what do you think about the CES on a voluntary basis at airports?

Mr. Gordon. I think that is the key word, sir, "voluntary" basis. There are many high value cargoes that can be economically moved voluntarily to centralized examination stations and move through the Customs process much more quickly.

We recognize that it is not going to be attractive for high volume cargoes. I think probably it would lend itself to cargoes that move efficiently by air because they are more compact; they are generally higher value.

The Chairman. Mr. Milosh, you were talking about the cargo being seized and penalties being imposed when it would be sufficient to detain the shipment and try to work out the problems before assessing penalties. Would you comment on that?

Mr. Milosh. I am sorry; the air conditioning just went on as you began.

The Chairman. You brought up the issue of Customs seizing commercial shipments and issuing penalty notices, when you say it would be sufficient if they would just detain them and try to work out the problems first and could avoid a lot of that hassle. How widespread is that practice? Is it something that you think requires a legislative solution or not?

Mr. Milosh. The answer is yes, because I think a misinterpretation stems from the legislation; and if one were to study the legislation and how that was passed and the colloquy that went with it, I think the intent was not to use the authority for——

The Chairman. So, further clarification of the legislation is what you are talking about; is that right?

Mr. Milosh. I think that is part of the problem. Yes.

The Chairman. Thank you. Senator Packwood?

Senator Packwood. Mr. Zelenka, let me assure you that I am going to do everything I can to make sure that the Port of Portland is not put in a position where they have to cheat or lose business because that is the situation we are being put in by these discrepancies.

I think it forces the Port of Portland and Los Angeles and Seattle and Astoria and San Francisco and Oakland and everybody else to lower themselves to a very demeaning common denominator so that they aren't forced to lose fishnet business or dishrag business or immense quantities simply because of this discrepancy in Customs' duties. I want to ask you a question because this has been raised by the other witnesses.

Can you explain how you are convinced that this problem could be solved on the West Coast without necessarily having to extend it to the Gulf and to the East Coasts districts?

Mr. ZELENKA. If we look at the region in terms of the competitive nature between ports, and if a problem is existing on the East Coast as well as the West Coast, I think the distinction on the West Coast is that all the competitive ports are within one region. If there is a discrepancy or a difference or a nonuniform application that is going to cause a diversion of cargo, it is going to cause a diversion of cargo to another port within that same region.

Senator PACKWOOD. So, to put in terms of names, the Port of Portland competes with Seattle or Tacoma or San Francisco; seldom does the Port of Portland compete with Houston or Baltimore.

Mr. ZELENKA. Occasionally, but not as often, nor as directly.

Senator PACKWOOD. Occasionally, but talking about the major competitors, it is the Gulf cities that compete against each other; it is the Atlantic cities that compete against each other; and it is the West Coast that competes, by and large, on the West Coast.

It would be an unusual situation where an exporter from Singapore or Japan would say: Wow, because of the slight difference in uniformity, I am going to go all the way to Baltimore to unload my products, which I plan to sell on the West Coast. That just isn't done.

Mr. ZELENKA. Yes, sir. That is correct.

Senator PACKWOOD. All right, thank you very much. Mr. Chairman, I thank you.

The CHAIRMAN. Gentlemen, thank you very much for your contributions. The hearing will end.

[Whereupon, at 11:24 a.m., the hearing was adjourned.]

APPENDIX

TESTIMONY OF JAMES K. GORDON

Good morning, Mr. Chairman. I am James Gordon, and I am here today on behalf of the Airport Operators Council International, the association of governmental bodies that own and operate the principal airports served by scheduled airlines in the United States and around the world. AOCI member airports enplane more than 90% of total domestic and virtually all U.S. international scheduled passenger and cargo traffic. Worldwide, our member airports enplane two-thirds of all airline passengers and cargo on six continents.

We are here today to ask the Congress to provide the resources needed to increase the U.S. Customs Service's inspection capabilities, and to help Customs improve its ability to clear international passengers and cargo rapidly and effectively.

In fiscal year 1989, we request funding and Congressional oversight to:

1) Increase the number of Customs inspectors clearing international arriving passengers and cargo at our nation's airports, encourage more flexible inspector staffing and the adoption of new and more efficient clearance procedures for passengers and cargo. The number of new Customs inspectors needed can be kept to a minimum if the procedures are made more efficient.
2) Toughen the application of the forty-five-minute maximum time standard for clearance of any passenger arriving on any international flight, and increase cooperation between the federal inspection agencies and airport authorities to ensure that clearance time standards are met.
3) Provide for the testing of a Centralized Examination Station (CES) concept linked to a clearance time standard for air
4) Request that the Customs Service reexamine the conclusions of the McKinsey & Co., report on air, sea and land cargo clearance computer systems.

5) Require greater accounting transparency of Customs' application of user fee revenues.

1. Passenger Clearance

The world economy is becoming increasingly oriented to services and leisure, and tourism becomes ever more important to the U.S. economy. Foreign tourism in the United States is a U.S. export of goods and services to help redress the trade imbalance that has become such a serious economic and political issue. While we may import more Japanese cars than we export American cars to Japan, we are visited by more Japanese than the Americans who visit Japan. And the good news is that foreign tourist visits to the U.S. are increasing faster than U.S. citizen purchases of foreign cars.

It is vitally important to our economic well-being that we foster tourism to the U.S. U.S. Immigration and U.S. Customs inspection are a tourist's first encounter with America and the consumer service that is one of the principal attractions to foreign visitors. The impression we give during that first hour in America is indelible, yet we ignore just how important our treatment of foreign tourists is to our economy.

The national agenda has many important priorities, such as the interdiction of narcotics at our borders, but we cannot afford to ignore the vital issue of passenger and cargo processing. In the past, the federal inspection services have pointed to inadequate funding for the inspection of cargo and passengers as the reason for inadequate facilitation. With the collection of user fees, revenues should now be adequate for the needed staffing and facilities.

International passengers and cargo volumes are growing at more than 10% per year, with huge economic benefits to the United States. Airports work diligently with their communities to attract more foreign visitors and trade to their community. We need the support of the Congress and the Customs Service in providing adequate federal inspection services for passenger and cargo processing.

As in past years, we ask for more Customs inspectors at our gateway airports. This year is no exception. While the volume of international arriving passengers will increase substantially in FY 1989, we know of no plans to increase the number of Customs inspectors at our airports.

Mr. Chairman, we know that our emphasis on the numbers of inspectors obscures our concern for improved inspection procedures. We want to shift the emphasis away from numbers and on to setting and meeting performance standards for inspections. These performance issues are in the areas of procedures and staffing.

First, inspection procedures need to be revised so that Customs and INS processing is less time consuming and burdensome than it is today. Second, Customs staffing needs to be responsive to demand: the number of inspectors on duty should correlate with the number of passengers requiring inspection on any given day, at any given hour. The arriving passenger and the cargo shipper now pay for a higher level of service than is being provided.

Passenger Inspection Procedures

Most developed nations have adopted sophisticated, efficient, and facilitation-oriented inspection procedures (no less effective in terms of enforcement than our own), while the U.S. is still bound by individual passenger inspection. The development and nationwide application of a true red/green inspection procedure, similar to that used in most of Western Europe, should be a top priority at Customs headquarters, in the regions and at the district level.

We are encouraged that Customs is taking some initiative in this area and is willing to develop and test new concepts for passenger inspection. Last summer an AOCI member airport was chosen as the test site for a new "high risk/low risk" inspection procedure, involving inspection of only those passengers who matched a "profile," allowing the vast majority of passengers to move through the Customs area without having to stop. The Customs procedure was an overwhelming success, with most passengers delayed only as long as it took them to walk out the door. Contraband seizures improved markedly during two of the three months of the test, with a slight diminution in seizures in the last month coincident with a major Customs staff rotation and the need to retrain new inspectors. The program has been withdrawn pending the resolution of an issue involving the airlines' advance reporting of passenger information to Customs. We hope the Congress will actively support application and expansion of new procedures.

Customs Staffing Methods

Another area in which Customs' inspections can be improved is the responsiveness to demand. When airline traffic at an airport grows by the flight per day, the growth seems manageable. But if both flights arrive during the afternoon peak, disembarking 1,000 passengers into the arrivals hall, that 10% traffic growth causes a 50% increase in inspection workload. We want Customs to be sensitive to this need to respond to demand. Passengers arriving during a peak period have paid for and should receive the same high level of service given passengers arriving during off peak hours.

Traffic peaking is not a phenomenon of coincidence. It is the result of careful airline schedule planning that allows people to fly at convenient times, that avoids curfews and operating restrictions, and which maximizes the use of multi-million-dollar aircraft. This also applies to the schedules of cargo flights. The growing volume of time-sensitive cargo (not just overnight letters, but perishables, spare parts and other items), the needs of cargo shippers, and other consumer service are all considered in cargo flight schedules.

We hear from time to time that the arrival peaks of international passengers and cargo must be spread out for federal inspection service processing. Customs has the duty to provide inspectors where and when the demands of air commerce dictate.

Customs is a service organization and to have passenger and cargo flight schedules determined by the availability of inspectors is to have the tail wag the dog.

Another issue is Federal Government policy that worsens the impact of living costs on Customs staffing. It costs more to live in New York than it does in the communities of many smaller ports of entry. This fact of life seems to have escaped the Federal Government, since those living in expensive areas are not given allowances for the higher costs of living. Not surprisingly, many Customs employees who can move to a less expensive area, do. Since passenger and cargo traffic tend to be concentrated at airports in big cities with higher costs, the airports of entry that most need full Customs staffing are the ones with vacancies. This bias in real income between regions needs to be redressed, not to favor one airport over another but to ensure that the passenger and cargo shipper receives the inspection service that has been paid for, and our transport system functions most efficiently.

2. Clearance Time Standard

The most powerful tool of oversight, the best protection for the U.S. tourism industry and guarantee of service to the passenger is a clearance time standard. Last year, Congress expressed its intent that forty-five minutes after an arriving aircraft stops at the gate, and the passengers should have cleared all federal inspection service processing. The forty-five minutes is not to be the average clearance time but rather a maximum clearance time for any passenger who is not given a secondary inspection, regardless of how busy or congested the arrivals hall may be. The last person off a Boeing 747 in the busiest hour of the busiest day of the year should be cleared through the entire Immigration, bag retrieval and Customs inspection process within forty-five minutes after the "fasten seat belt" sign is turned off at the gate.

We raise this issue because average clearance time figures from airports have been used to claim compliance with the intent of Congress. The average may be 30 minutes, but if it takes you personally an hour and a half to emerge from federal inspection processing and as a result you miss your connection, compliance with the standard on the average offers you little comfort.

The forty-five minute clearance time standard is not arbitrary. Rather, it is based on the airlines' standard international connecting time of one hour and a half.

The report language that accompanied the FY 1988 Appropriations bill required the Commissioner to report on February 1, 1988 and August 1, detailing the compliance with the forty-five minute standard.

Interagency Cooperation

The forty-five minutes maximum clearance time standard treats the clearance process as a whole. The passenger certainly perceives it as one procedure and we should start tailoring our legislative, administrative and procedural actions to treating the process as one. We hope you will require closer cooperation between customs, immigration, agriculture and airport authorities so that inefficiency and duplication are kept to a minimum.

3. Cargo

Inadequate staffing levels and out of date inspection procedures are reducing the efficiency and therefore adding to the cost of shipping goods by air, while cargo traffic grows and becomes more important.

Customs has recognized the need for improvement and took the step of commissioning a study on ways to improve the level of service to commercial customers. We applaud the honest importers; if they do not, they will be run out of business and we will suffer from the higher costs and reduced service that accompany reduced competition.

Manifest Information

A further issue involving air, sea and land cargo clearance computer systems, known as "port systems," is the treatment of manifest data. At present, seaport systems to be "parties of interest" and therefore eligible to receive manifest data from Customs. As a matter of equity, vital to the smooth flow of cargo, air cargo clearance computer systems need to be deemed a "party of interest" by Customs. All of the types of cargo computer systems require the downloading of manifest information from Customs without discrimination, to provide the full measure of benefit to the community.

Central Examination Stations

In response to the McKinsey report, Customs intends to establish clearance time standards for air cargo. We endorse the concept of a clearance time standard for air cargo, just as for the clearance of international arriving passengers.

We propose further that Customs accept a significantly shorter clearance standard than that for general air cargo, to be applied to intensive examination cargo voluntarily submitted by an airline for examination at a so-called Central Examination. The issue of CES is controversial. On one hand, Customs and many airports believe that introspection of the Customs Service in having McKinsey and Company perform such a study, and the Commissioner and his management team should be commended. We hope Customs will repeat this in other areas and other agencies, such as the Immigration and Naturalization Service and the Department of Agriculture will follow the example.

Cargo Automation

McKinsey & Company's report misunderstood the role that automated cargo clearance systems can play in the clearance and transshipment of air, sea and land cargo.

The report notes that air, sea and land cargo clearance systems are limited in their capability to enhance the automated clearance of cargo and their applicability to modern cargo transportation. This is the product of the authors having misunderstood such cargo clearance systems and having concentrated on the needs of very large importers, brokers and forwarders that handle the volume of business required to make automating individually worthwhile. The U.S. airport that implemented the first computer system serving the community of cargo system players was not consulted by McKinsey.

Computerized clearance systems will eventually negate the need for any paperwork in the clearance of air, sea and land cargo. Only a relative handful of brokers, forwarders and importers in the U.S. have the financial resources to become automated on their own. It is vitally important that small operators have access to the automation capabilities of the most sophisticated brokers, forwarders and the efficient use of limited Customs manpower requires that the examination of cargo be concentrated into fewer locations than every airline cargo shed. This does not mean inspection in only one facility, as some of the airlines fear. On the other side, some airlines and other cargo interests feel strongly that the double handling of the cargo under a CES program adds significantly to the cost of cargo transportation. In fact, there will have to be a positive cost/benefit balance to the airlines and shippers before we would implement CES's.

There is report language that prohibits the implementation of CES. We believe that a voluntary trial of the concept should be allowed, so that we would all have proof whether the economic benefits of faster clearance outweigh the additional handling expense.

User Fees

It is important that user fees be spent on the services directly consumed by those who are paying the fees, not only as a matter of equity but also as a treaty obligation. Most U.S. bilateral air services agreements require that user charges not exceed the full cost of the services provided and be equitably apportioned among categories of users. Fees charged to airline passengers should be used only for Customs inspection of those passengers, while those fees charged to sea freight should be applied solely to the inspection of sea freight at our ports, and so on.

As a matter of compliance and sound management, Customs should be required to provide a detailed accounting for user fee revenues and expenses for commercial and inspection operations.

Customs should breakdown revenues from cargo by mode of transport and from passengers by mode. There should be an accounting of the costs of passenger inspection and cargo inspection by mode and there should be a detailed breakdown of the functions performed by those Customs inspectors who are funded through user fees. For example, the 1988 federal budget stated that the commercial operations to be funded by user fees include the commercial activities currently provided for under the Inspection and Control, Tariff and Trade and Investigation activities. There must be a limit on the spending on user fees for non-inspection related expenses. Complete accounting transparency for the user fee fund will safeguard the process.

Conclusion

In conclusion, Mr. Chairman, we have touched on a number of Customs issues that affect airports every day. We are impressed by the organization and dedication of the Customs Service under the helm of Commissioner Von Raab. The McKinsey and Company is an extraordinarily bold step for a federal agency which we hope will be copied elsewhere. However, there are areas that require significant improvements before we can even consider ourselves on a par with comparable nations. A true red/green passenger processing system and greater responsiveness of staffing levels to demand are just two of these areas.

The budgetary and oversight influence of Congress over Customs is particularly important today. Whenever an issue as emotional as drug use grabs the attention of the nation, cool heads are needed to ensure that in our zeal to vanquish the foe, we do not harm the trade and tourism that are vital to our economy and society. Facilitation, the rapid and efficient processing of passengers and cargo, is not the antithesis of enforcement. That view must not be accepted, nor can it be an excuse for not providing services that travelers and shippers have paid for.

Mr. Chairman, thank you.

MICHAEL H. LANE

DEPUTY COMMISSIONER

U.S. CUSTOMS SERVICE

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, THANK YOU FOR THIS OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO PRESENT THE U.S. CUSTOMS SERVICE FY 1989 APPROPRIATIONS REQUEST. WE ARE REQUESTING $966,903,000 AND 16,099 DIRECT AVERAGE POSITIONS FOR SALARIES AND EXPENSES AND $142,262,000 FOR OPERATIONS AND MAINTENANCE OF THE AIR PROGRAM. CUSTOMS IS ALSO REQUESTING AN APPROPRIATION OF $10,000,000 FOR THE FORFEITURE FUND AND $1,588,000 AND 22 DIRECT AVERAGE POSITIONS TO RECOVER ANTICIPATED REIMBURSEMENTS FOR SERVICES AT SMALL AIRPORTS.

CUSTOMS SALARIES AND EXPENSES FY 1989 APPROPRIATION REQUEST REPRESENTS A NET INCREASE OF $903,000 FROM THE CONTINUING RESOLUTION PASSED BY CONGRESS AND SIGNED BY THE PRESIDENT FOR FY 1988. THE FY 1989 OPERATIONS AND MAINTENANCE APPROPRIATION REQUEST REPRESENTS A NET INCREASE OF $2,262,000. THESE REQUESTS WILL ALLOW US TO FUND THE IMPROVED LEVEL OF THE STAFFING, EQUIPMENT, AND PROGRAMS ESTABLISHED IN THE FY 1988 CONTINUING RESOLUTION.

MAJOR ACCOMPLISHMENTS

IN ITS CAPACITY AS A REVENUE COLLECTION AGENCY UNDER THE TARIFF ACT OF 1930, THE CUSTOMS SERVICE COLLECTED $15.7 BILLION IN FY 1987. THIS TOTAL IS PROJECTED TO REACH $17.8 BILLION IN FY 1989.

CUSTOMS CLEARED 310,223,000 PERSONS AND PROCESSED 8,023,000 MERCHANDISE ENTRIES IN FY 1987, UP 9.6 PERCENT OVER THE PRIOR YEAR.

AMONG OTHER THINGS, CUSTOMS ALSO SEIZED 87,898 POUNDS OF COCAINE, A 67 PERCENT INCREASE OVER THE PRIOR YEAR, 639 POUNDS OF HEROIN, 1,701,150 POUNDS OF MARIJUANA, AND 1,073 OF HASHISH.

CUSTOMS IS AN AGENCY WITH TWO DISTINCT MISSIONS. THEY ARE ENFORCEMENT, INCLUDING DRUG ENFORCEMENT, CHILD PORNOGRAPHY, AND THE OVERSIGHT OF NUMEROUS OTHER PROVISIONS OF THE TARIFF ACT OF 1930, AND COMMERCIAL, WITH PRIMARY EMPHASIS ON THE REGULATION OF THE FLOW OF MERCHANDISE ACROSS OUR BORDERS AND THE COLLECTION OF DUTIES AND OTHER CHARGES ON THAT FLOW.

FIRST, I WILL ADDRESS THE CUSTOMS ENFORCEMENT EFFORTS. THE UNITED STATES IS IN A WAR WITH ORGANIZED CRIME AND OTHER SMUGGLING ORGANIZATIONS THAT HAVE AN ALMOST ENDLESS SUPPLY OF MONEY AND NO AVERSION TO MURDER AS A TOOL OF THE TRADE. CUSTOMS OFFICERS AND OFFICERS FROM OTHER ENFORCEMENT AGENCIES HAVE DIED IN THE LINE OF DUTY FIGHTING THE DRUG WAR. IN COLOMBIA, JUDGES AND CABINET OFFICIALS, INCLUDING TWO ATTORNEYS GENERAL HAVE BEEN MURDERED IN THE LAST FOUR YEARS FOR TAKING A STAND AGAINST THE DRUG INDUSTRY. THE FEDERAL GOVERNMENT IS ATTACKING THIS PROBLEM THROUGH INTERNATIONAL DIPLOMACY, INTERDICTION AT OUR BORDERS, AND IN THE NATION'S CLASSROOMS. THE CUSTOMS HAS BEEN GIVEN THE TASK OF LEADING THE FEDERAL DRUG INTERDICTION EFFORT.

AIR PROGRAM

CUSTOMS IS STRENGTHENING ITS FIXED AIR SMUGGLING DETECTION NET IN THE SOUTHEAST BY INSTALLING AEROSTATS IN THE TURKS AND CAICOS ISLANDS AND GEORGETOWN, BAHAMAS TO AUGMENT THE AEROSTAT ALREADY OPERATING AT GRAND BAHAMA ISLAND. IN ACCORDANCE WITH AN AGREEMENT BETWEEN COAST GUARD AND CUSTOMS, CONTROL OF CERTAIN SOUTHEASTERN DETECTION RESOURCES WILL BE TURNED OVER TO THE COAST GUARD IN FY 1989.

ALONG THE SOUTHWEST BORDER, A FIXED AIR SMUGGLING DETECTION NET IS BEING ESTABLISHED THROUGH THE DEPLOYMENT OF SIX RADAR EQUIPPED AEROSTATS. ONCE INSTALLED, THESE AEROSTATS WILL PROVIDE A LOW LEVEL AIRCRAFT RADAR DETECTION CAPABILITY THAT HAS LONG BEEN SORELY NEEDED. CUSTOMS WILL ALSO EXPLORE THE FEASIBILITY OF OVER- THE-HORIZON RADAR (OTH). OTH COULD SUBSTANTIALLY ENHANCE OUR CAPABILITY TO DETECT SMUGGLERS, WHICH COULD RESULT IN MORE ARRESTS AND SEIZURES. MOBILE DETECTION CAPABILITY THROUGH DEVELOPMENT OF LONG-RANGE SURVEILLANCE AIRCRAFT WILL COMPLEMENT THE LAND BASED AEROSTATS. THE CONSTRUCTION OF COMMAND, CONTROL, COMMUNICATIONS AND INTELLIGENCE (C3I) CENTERS IN MIAMI, FLORIDA AND RIVERSIDE, CALIFORNIA WILL INTEGRATE THESE DETECTION RESOURCES AND PROVIDE FOR TACTICAL COORDINATION OF AIR INTERDICTIONS. CUSTOMS WILL CONTINUE TO COORDINATE ITS INTELLIGENCE EFFORTS WITH THE DRUG ENFORCEMENT ADMINISTRATION (DEA)), SO AS TO RECEIVE THE BENEFIT OF DEA'S UNIQUE RESOURCES.

AIRCRAFT CURRENTLY OPERATED BY CUSTOMS INCLUDE HIGH SPEED JET INTERCEPTORS EQUIPPED WITH RADAR AND INFRARED DETECTION SENSORS, LONG RANGE TRACKERS, HIGH SPEED HELICOPTERS, SINGLE AND MULTI-ENGINE SUPPORT AIRCRAFT, AND P-3A AIRBORNE DETECTION PLATFORMS. AIRCRAFT ARE OBTAINED THROUGH PURCHASE, LEASE, OR MILITARY LOAN AND MODIFIED TO MEET CUSTOMS SPECIFICATIONS. IN ADDITION, BY THE END OF FY 1988, CUSTOMS EXPECTS DELIVERY OF ONE P3-AEW AIRCRAFT AND SEVEN NOMAD AIRCRAFT TO BE USED AS MARINE TARGET DETECTION PLATFORMS.

THE FOLLOWING IS A BREAKDOWN OF THE CURRENTLY ASSIGNED CUSTOMS AIRCRAFT:

AIRCRAFT TYPE	TOTAL
P-3A	4
E-2C	2
CITATION II	6
PIPER CHEYENNE IIIA (CHET)	8
BEECHCRAFT KING AIR (B200)	10
MISCELLANEOUS SINGLE ENGINE	6
MISCELLANEOUS TWIN ENGINE	30
BLACK HAWK HELICOPTER UH-60A	12
OTHER HELICOPTERS	8
TOTAL	87

STATE, LOCAL, FEDERAL COOPERATION

CUSTOMS EXPERIENCE SHOWS THAT THE BEST USE OF GOVERNMENT INTERDICTION RESOURCES IS IN JOINT EFFORTS WITH STATE AND LOCAL LAW ENFORCEMENT AGENCIES. TOWARD THIS END, CUSTOMS HAS UNDERTAKEN SEVERAL ONGOING JOINT INITIATIVES WITH STATE AND LOCAL ENFORCEMENT AGENCIES. THE BLUE LIGHTNING STRIKE FORCE IN THE SOUTHEASTERN UNITED STATES, INITIATED IN EARLY 1985, AND THE "ALLIANCE" PLAN CONTAINING OPERATION BLUEFIRE FOR THE SOUTHWEST BORDER ARE PROVING THAT SUPERIOR RESULTS CAN BE OBTAINED FROM A COOPERATIVE ENFORCEMENT EFFORT. THE JOINT EFFORT BETWEEN CUSTOMS AND THE DRUG ENFORCEMENT ADMINISTRATION IN NEW YORK, KNOWN AS JNSU, OR THE JFK NARCOTICS SMUGGLING UNIT CONTINUES TO MAKE PROGRESS AGAINST CONSPIRACIES TO SMUGGLE NARCOTICS THROUGH THE NEW YORK AND NEW JERSEY PORTS. SIMILAR JOINT EFFORTS ARE BEING CONDUCTED IN SAN DIEGO.

COOPERATION WITH PRIVATE CARRIERS:

CUSTOMS HAS INVOLVED PRIVATE BUSINESS IN AN EFFORT TO REDUCE NARCOTICS SMUGGLING THROUGH THE LEGITIMATE TRADE. INTERNATIONAL AIR AND SEA CARRIERS HAVE SIGNED AGREEMENTS WITH US TO BETTER POLICE THEIR PLANES AND VESSELS. AIRPORT SERVICE COMPANIES ARE WORKING WITH US TO IMPROVE SECURITY IN AND AROUND WHERE INTERNATIONAL FLIGHTS ARRIVE AND CARGO IS HANDLED. AIR CARRIERS OPERATING FROM SPECIAL HIGH-RISK NARCOTICS SOURCE COUNTRIES ARE IMPLEMENTING SPECIAL SECURITY AND SCREENING TECHNOLOGY TO INCLUDE X-RAYS, SCALES, CLOSED CIRCUIT TV, ALL OF WHICH CAN BE MONITORED FROM REMOTE LOCATIONS. IMPORTERS ON THE SOUTHWEST BORDER ARE HELPING TO SECURE FACILITIES WHERE CUSTOMS INSPECTORS WILL BE ABLE TO DO A BETTER AND FASTER JOB CLEARINGCARGO ARRIVING BY LAND FROM MEXICO. MOST IMPORTANTLY, THE CITIZENS OF THE UNITED STATES ARE WORKING WITH US BY COMING FORWARD TO REPORT DRUG SMUGGLING.

BE ALERT PROGRAM

WE HAVE ALSO EMBARKED ON A PROGRAM TO ENLIST CITIZENS IN OUR DRUG INTERDICTION EFFORTS. THE CIVIL AIR PATROL, WHICH IS AN ASSOCIATION OF VOLUNTEER PILOTS, HAS COME FORWARD TO FLY DRUG LOOK-OUT MISSIONS FOR US OFF THE COASTS OF MANY SOUTHERN STATES.

CUSTOMS HOT LINE (1-800-BE ALERT) HAS BEEN EXPANDED AND NOW OPERATES INTERNATIONALLY. IN ADDITION TO THE UNITED STATES, IT IS AVAILABLE IN BERMUDA, JAMAICA AND THE BAHAMAS.

TECS II

IN NOVEMBER, 1987, CUSTOMS OPENED THE NEW DATA CENTER, HOUSING THE TREASURY ENFORCEMENT COMMUNICATIONS SYSTEM II (TECS II), AT NEWINGTON, VIRGINIA. THIS SYSTEM CONTAINS INFORMATION ON PERSONS, VEHICLES, VESSELS AND AIRCRAFT ATTEMPTING TO ENTER THE COUNTRY FOR ILLEGAL PURPOSES. IT ALSO CONTAINS INFORMATION ON FUGITIVES AND STOLEN PROPERTY. THIS SYSTEM WILL GREATLY IMPROVE OUR ENFORCEMENT CAPABILITIES IN ALL AREAS.

MARINE PROGRAM

THE CUSTOMS MARINE PROGRAM PROTECTS THE SEA APPROACHES OF THE NATION'S BORDERS AND CONFRONTS THE MARINE SMUGGLING PROBLEM. CUSTOMS IS IMPROVING ITS MARINE INTERDICTION STRATEGY THROUGH EXPANDED USE OF ITS AIR DETECTION ASSETS AND IMPROVED INTELLIGENCE. THESE IMPROVEMENTS WILL RESULT IN INCREASING THE RISK AND COSTS TO SMUGGLERS, WHILE REDUCING THE LEVEL OF MARINE SMUGGLING BY PLEASURE CRAFT AND FISHING VESSELS.

THE BLUE LIGHTNING OPERATIONS CENTER (BLOC) IS CURRENTLY THE NERVE CENTER FOR MARINE INTERDICTION EFFORTS IN THE ATLANTIC SOUTHEAST. STATE AND LOCAL LAW ENFORCEMENT GROUPS HAVE ACCESS TO BLOC AND LEND MARINE RESOURCES AND MANPOWER TO OPERATIONS CONTROLLED BY THE CENTER. BLOC COLLECTS AND UTILIZES TACTICAL INFORMATION FROM CUSTOMS MARINE RADAR PLATFORM VESSELS, AEROSTATS, AND CUSTOMS AIRCRAFT. ALL OF THESE ARE CONTINUOUSLY UNDERGOING ENHANCEMENTS. BLOC THEN DIRECTS THE AVAILABLE RESOURCES TO THE INTERDICTION SITE IN ORDER TO EFFECT A LAW ENFORCEMENT ACTION.

CUSTOMS WILL USE NOMAD AIRCRAFT OUTFITTED WITH THE LATEST 360 DEGREE MARINE TARGET DETECTION RADAR AND INFRARED EQUIPMENT TO PROVIDE ENHANCED DETECTION, SORTING, AND TRACKING CAPABILITIES COMBINED WITH MOBILITY AND FLEXIBILITY IN REACTING TO THE CHANGING THREAT.

IN ORDER TO BETTER MAINTAIN ITS VESSEL FLEET, CUSTOMS IS MOVING TOWARD THE USE OF A NATIONAL MARINE CONTRACT. ALL OF THE VARIOUS TYPES OF CUSTOMS VESSELS WILL BE IDENTIFIED IN A VESSEL REPORTING SYSTEM BY LOCATION, MAKE, SIZE, AGE, EQUIPMENT, AND ENGINE TYPE. MAINTENANCE STANDARDS AND PROCEDURES WILL BE DEVELOPED. A CONTRACT WRITTEN, BIDS SOLICITED, VENDORS EVALUATED AND A CONTRACT AWARDED.

FINANCIAL LAW ENFORCEMENT PROGRAM

CUSTOMS FINANCIAL ENFORCEMENT PROGRAM FOCUSES ON THE ILLEGAL MONEY FLOW AND PROCEEDS OF MAJOR CRIMINAL ENTERPRISES. THE OBJECTIVE IS TO INTERRUPT THAT FLOW, SEIZE THE ASSETS OF THE ENTERPRISE, AND FOLLOW TO SUCCESSFUL PROSECUTION THOSE INDIVIDUALS WHO DIRECT AND CONTROL THE ORGANIZATION.

THIS MISSION IS ACCOMPLISHED BY CUSTOMS FINANCIAL INVESTIGATIONS GROUPS LOCATED AT MOST MAJOR OFFICE LOCATIONS AND THROUGH TASK FORCE ENTITIES LOCATED THROUGHOUT THE UNITED STATES. ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES AND AD HOC FINANCIAL INVESTIGATIONS TASK FORCES ARE COMPRISED OF CUSTOMS, DRUG ENFORCEMENT ADMINISTRATION, FEDERAL BUREAU OF INVESTIGATION, AND INTERNAL REVENUE SERVICE SPECIAL AGENTS AND INTELLIGENCE ANALYSTS.

THE PRIMARY FOCUS OF THE PROGRAM'S INVESTIGATIVE EFFORTS IS ON THOSE INDIVIDUALS AND ORGANIZATIONS INVOLVED IN DRUG SMUGGLING AND MONEY LAUNDERING SCHEMES WHICH CONSTITUTE VIOLATIONS OF THE BANK SECRECY ACT AND THE MONEY LAUNDERING CONTROL ACT OF 1986.

THE CURRENCY INVESTIGATIONS AND FINANCIAL INTELLIGENCE BRANCHES OF THE OFFICE OF ENFORCEMENT MAINTAIN AND ACT AS THE NATIONAL CLEARINGHOUSE FOR THE FINANCIAL DATA BASE (FDB). THE FBD CONTAINS INFORMATION GATHERED UNDER THE BANK SECRECY ACT, AND PROVIDES A VALUABLE SOURCE OF MONEY LAUNDERING INTELLIGENCE.

EXPORT ENFORCEMENT

CUSTOMS HAS IMPLEMENTED A COMPREHENSIVE PROGRAM TO COMBAT THE GROWING NATIONAL SECURITY THREAT OF ILLEGAL EXPORTS OF CRITICAL TECHNOLOGY TO THE SOVIET UNION AND OTHER HOSTILE GOVERNMENTS.

THE EXODUS PROGRAM HAS EVOLVED INTO A MAJOR INVESTIGATIVE EFFORT FOCUSING ON MANY AREAS AFFECTING DOMESTIC AND FOREIGN POLICY. THE EXODUS PROGRAM HAS ALSO BEEN EXPANDED TO INCLUDE EMBARGO AND SANCTIONS ENFORCEMENT. THE PROGRAM HAS ALSO BEGUN TO FOCUS ON NEW AREAS SUCH AS MISSILE TECHNOLOGY, ILLEGAL EXPORT OF TECHNICAL DATA, AND NUCLEAR TECHNOLOGY.

THE PROGRAM ALSO IS DIRECTED AGAINST THE THREAT OF ILLEGAL EXPORT OF ARMS AND MUNITIONS TO OTHER COUNTRIES OR TERRORIST GROUPS. INVESTIGATIONS CONDUCTED TO DATE HAVE REVEALED A BROAD PATTERN OF CRIMINAL ACTIVITY, AND INTELLIGENCE REPORTS INDICATE THAT THIS THREAT IS GROWING. IN CARRYING OUT THE ENFORCEMENT EFFORT, CUSTOMS WORKS CLOSELY WITH A VARIETY OF GOVERNMENT ENFORCEMENT AND INTELLIGENCE AGENCIES.

INTERDICTION, INVESTIGATION AND INTERNATIONAL COOPERATION ARE THE THREE BASIC ELEMENTS OF THE EXPORT ENFORCEMENT PROGRAM. THESE ELEMENTS PROVIDE A HIGHLY VISIBLE DETERRENT AND HAVE A VALUABLE COMPLIANCE IMPACT ON THE DOMESTIC HIGH TECHNOLOGY MANUFACTURING AND EXPORTING INDUSTRY. A PROACTIVE INVESTIGATIVE APPROACH TO DETECT AND DISRUPT ILLEGAL CRIMINAL CONSPIRACIES BEFORE THEY CAN DAMAGE NATIONAL SECURITY HAS BEEN ADOPTED.

IN FY 1989, A VARIETY OF ENFORCEMENT INITIATIVES WILL CONTINUE TO BE IMPLEMENTED: ADDITIONAL UNDERCOVER OPERATIONS, IMPROVED LIAISON WITH THE INTELLIGENCE COMMUNITY, INCREASED FOREIGN COOPERATION, AND SUPPORT AND ASSISTANCE TO FOREIGN GOVERNMENTS IN THE CONDUCT OF THEIR OWN UNDERCOVER OPERATIONS DIRECTED AGAINST THESE VIOLATIONS.

CHILD PORNOGRAPHY

CUSTOMS IS CONTINUING ITS EFFORTS TO STOP THE IMPORTATION OF PORNOGRAPHY WHICH EXPLOITS THE USE OF CHILDREN. WE HAVE ESTABLISHED SPECIAL TEAMS THROUGHOUT THE COUNTRY TO INSPECT SUSPECT MAIL AND ARRANGE CONTROLLED DELIVERY WHENEVER POSSIBLE. RECENTLY WE HAVE BEEN REQUESTED BY CANADIAN CUSTOMS AND EXCISE TO SHARE OUR INTELLIGENCE INFORMATION TO AID THEM IN TRACKING DOWN MISSING CHILDREN WHO MAY BE USED IN PORNOGRAPHIC FILMS, VIDEOS, AND MAGAZINES. CUSTOMS IS EXPANDING ITS INTELLIGENCE DATA BASE OF SUSPECT COUNTRIES, COMPANIES, AND IMPORTERS. IN FY 1987, CUSTOMS INTRODUCED THE CHILD PORNOGRAPHY TIPLINE (1-800-843-5678) OPERATED IN CONJUNCTION WITH THE NATIONAL CENTER FOR MISSING AND ABUSED CHILDREN. MORE THAN ONE HUNDRED LEADS HAVE BEEN RECEIVED TO DATE.

INSPECTION AND CONTROL

CUSTOMS INSPECTORS ARE STATIONED AT OUR AIR, LAND, AND SEAPORTS TO PROCESS PERSONS, CARGO, AND CARRIERS ENTERING THE UNITED STATES AND ENFORCE OUR TRADE LAWS TO PREVENT THE IMPORTATION OF PROHIBITED SUBSTANCES, PARTICULARLY NARCOTICS.

CUSTOMS INSPECTORS HAVE MAINTAINED ENFORCEMENT EFFECTIVENESS BY INTENSIVE SELECTIVE EXAMINATIONS, MADE POSSIBLE BY THE INTRODUCTION OF COMPUTER-ASSISTED PROCESSING AND REDUCED PAPERWORK. THE RESULTS HAVE BEEN IMPROVED ENFORCEMENT, MORE EFFICIENT USE OF RESOURCES, AND BETTER FACILITATION FOR PASSENGERS AND CARGO. EXPANDED USE OF AUTOMATED SYSTEMS, SELECTIVITY, AND INNOVATIVE TECHNIQUES HAVE BEEN SUBSTITUTED FOR TRADITIONAL LABOR INTENSIVE PROCESSES, IMPROVING OVERALL EFFICIENCY WHILE HANDLING INCREASED WORKLOADS. PASSENGERS AT U.S. GATEWAY AIRPORTS ARE ROUTINELY PROCESSED WITHIN 45 MINUTES OF ARRIVAL DUE TO: RED/GREEN PROCESSING, WHICH FACILITATES THE RAPID EXAMINATION OF LOW RISK PASSENGERS IN A "GREEN" PRIMARY LANE WHILE ALLOWING INSPECTORS TO FOCUS ON HIGH-RISK PASSENGERS IN A "RED" SECONDARY LANE; AND THE USE OF ROVING INSPECTORS THAT OPERATE OUTSIDE OF THE TRADITIONAL PASSENGER PROCESSING PROCEDURES. COMMERCIAL ENFORCEMENT AND FACILITATION HAS SIGNIFICANTLY IMPROVED DUE TO ACS SELECTIVITY, A SELECTIVE EXAMINATION AND LAW ENFORCEMENT TECHNIQUE THAT IDENTIFIES LOW-RISK SHIPMENTS FOR EXPEDITIOUS RELEASE AND HIGH-RISK SHIPMENTS FOR INTENSIVE EXAMINATION.

DURING THIS FISCAL YEAR, THE INSPECTIONAL PROGRAM WILL PLACE ADDED EMPHASIS ON IMPROVING ENFORCEMENT TECHNIQUES AT THE NATION'S BORDERS AS WELL AS SELECTIVITY SYSTEMS AT AIRPORTS AND SEAPORTS.

TO SUPPORT INSPECTIONAL ENFORCEMENT EFFORTS, OPERATIONAL ANALYSIS STAFFS (OAS'S) ARE IDENTIFYING INDIVIDUALS AND TRANSACTIONS WHICH POSE THE HIGHEST RISKS. THESE HIGH-RISK AREAS THEN RECEIVE GREATER ATTENTION. AS A RESULT OF INFORMATION CONVERTED INTO SPECIFIC TARGETS BY OAS, INSPECTORS AT PORT EVERGLADES SEIZED 8,700 POUNDS OF COCAINE IN TWO VESSEL CONTAINERS.

OTHER ENFORCEMENT AND SELECTIVITY EFFORTS INCLUDE: COOPERATIVE EFFORTS WITH FOREIGN CUSTOMS SERVICES WHICH PROVIDE PRE-ARRIVAL INFORMATION ON PASSENGERS FROM HIGH-RISK COUNTRIES, INCREASED EMPHASIS ON HIGH-RISK PRIVATE AIRCRAFT AND SMALL VESSELS, IMPROVED CANINE ENFORCEMENT, AND THE TESTING OF NEW EXAMINATION/ENFORCEMENT SYSTEMS FOR CARGO CONTROL.

DURING FISCAL YEAR 1987, CUSTOMS IMPROVED PASSENGER PROCESSING. WE CONTINUED TO PROMOTE THE RED/GREEN INSPECTION PROCESS AND "CITIZEN BYPASS" SYSTEM, WHICH REDUCES IMMIGRATION LINES BY PERMITTING U.S. CITIZENS TO PROCEED DIRECTLY TO CUSTOMS. CUSTOMS HAS INSTALLED AUTOMATED PASSPORT READERS AT EVERY MAJOR U.S. AIRPORT TO STREAMLINE TECS ENFORCEMENT COMPUTER CHECKS AND THEREBY, THE ENTIRE INSPECTION PROCESS. CUSTOMS IS NOW WORKING WITH AIRLINES AND AIRPORTS TO FURTHER CAPITALIZE ON THE LATEST TECHNOLOGY TO OPTICALLY READ INTERNATIONAL TRAVEL DOCUMENTS. THIS WILL FURTHER IMPROVE PASSENGER FACILITATION AND WILL ENHANCE ENFORCEMENT MEASURES.

THIS YEAR WE WILL ALSO ACHIEVE SUBSTANTIAL IMPROVEMENTS IN REDUCING WAITING TIMES ALONG THE SOUTHWEST BORDER. CUSTOMS WILL BE STAFFING AT LEAST 50 PERCENT OF ALL PROCESSING LANES DURING TRAFFIC PERIODS RATHER THAN SIMPLY MATCHING THE NUMBER OF LANES STAFFED BY IMMIGRATION PERSONNEL WHICH HAD BEEN THE PREVIOUS PRACTICE. FUNDING PROVIDED TO THE GENERAL SERVICES ADMINISTRATION IN THE FY 1988 BUDGET WILL BE USED TO ENHANCE FACILITIES FOR EXPEDITING TRAFFIC AND IMPROVING OFFICER SAFETY ALONG THE SOUTHWEST BORDER. DISCUSSIONS HAVE BEGUN WITH GENERAL SERVICES ADMINISTRATION OFFICIALS AND OTHER INSPECTION AGENCIES TO COORDINATE THE FACILITY MODIFICATIONS.

THE "LAND" INTERDICTION STRATEGY EMANATING FROM THE NATIONAL DRUG POLICY BOARD IS THE BASIS FOR INSPECTION AND CONTROL'S NARCOTICS INTERDICTION EFFORT. EACH CUSTOMS DISTRICT HAS FORMULATED AND IMPLEMENTED STRATEGIES (DISTRICT DRUG STRATEGIES) IN A NATIONWIDE PROGRAM TO FOCUS INSPECTIONAL RESOURCES AND SPECIAL OPERATIONS ON IDENTIFIED NARCOTICS THREATS PARTICULAR TO EACH DISTRICT. THE CHIEF INTERDICTION PRIORITY ADDRESSES LARGE LOADS OF COCAINE AND MARIJUANA IN CONTAINERS. THE CONTAINER STRATEGY EMPHASIZES A MULTIFACTOR APPROACH INCLUDING: REFINING AND CONVERTING RAW INTELLIGENCE GAINED IN NARCOTICS SOURCE AREAS INTO SPECIFIC TARGETS; UTILIZING ADVANCE TRADE INFORMATION FOR PRE-ARRIVAL IDENTIFICATION OF HIGH-RISK CONTAINERS; AND INCREASING THE NUMBER OF 100 PERCENT CONTAINER INSPECTIONS. SO FAR THIS FISCAL YEAR, THIS DEVELOPING STRATEGY HAS RESULTED IN MORE THAN 13,000 OF COCAINE BEING SEIZED.

CANINE ENFORCEMENT PROGRAM

CUSTOMS CANINE ENFORCEMENT PROGRAM IS INTEGRATED IN THE OVERALL CUSTOMS ENFORCEMENT STRATEGY IN TWO AREAS: DRUG DETECTION AND INTERNATIONAL COOPERATION. CANINE ENFORCEMENT PROGRAM RESOURCES ARE PRIMARILY AIMED AT INTERDICTING NARCOTICS; HOWEVER, ITS TRAINING CENTER ASSISTS FOREIGN GOVERNMENTS AND STATE AND LOCAL GOVERNMENTS (WHEN POSSIBLE) IN DEVELOPING SIMILAR PROGRAMS WHICH CONTRIBUTE NOT ONLY TO INTERNATIONAL COOPERATION BUT ALSO TO SIGNIFICANT SEIZURES OF DRUGS DESTINED FOR THE UNITED STATES. WHILE THE OBJECTIVE IS NARCOTICS INTERDICTION, THE PROGRAM PROVIDES BENEFITS (INTERAGENCY/INTERNATIONAL COOPERATION, PUBLIC EDUCATION, AND DETERRENCE) WHICH ALSO CONTRIBUTE TO THE FEDERAL GOAL OF INTERDICTING NARCOTICS AT OUR BORDERS.

CONTRABAND ENFORCEMENT TEAMS (CET)

WHILE THE STRATEGY OF USING CET TO CONDUCT MORE INTENSIVE NARCOTICS EXAMINATIONS OF HIGH-RISK PASSENGERS AND CARGO HAS BEEN SUCCESSFUL, FURTHER EFFORTS WILL FOCUS ON MORE SPECIFIC TARGETING OF LARGER, MORE SIGNIFICANT SEIZURES, ESPECIALLY IN CONTAINERIZED CARGO AND TRUCKS. THIS WILL BE ACCOMPLISHED THROUGH THE USE OF OPERATIONAL ANALYSIS STAFFS AND THREAT ASSESSMENTS, PRE-ARRIVAL MANIFEST INFORMATION, MORE THOROUGH CONTAINER AND AIRCRAFT SEARCHES, ADDED AIR AND VESSEL CARRIER AGREEMENTS, AND INTERNATIONAL COOPERATION. THIS APPROACH IS INTENDED TO COUNTER THE MOBILITY OF THE SMUGGLERS AND TO CONCENTRATE ON THE LARGER QUANTITIES OF NARCOTICS TO BE FOUND IN CONTAINERIZED CARGO. CET ACCOUNTED FOR 38 PERCENT OF ALL THE COCAINE SEIZED BY CUSTOMS IN FISCAL YEAR 1987, UNDERSCORING THEIR EFFECTIVENESS IN COMBATING THE SHIFT OF COCAINE SMUGGLING TO CONTAINERIZED CARGO.

NEW INITIATIVES

CUSTOMS IS CURRENTLY IN THE PROCESS OF DEVELOPING SEVERAL INITIATIVES TO PLACE MAXIMUM RESPONSIBILITY ON NARCOTICS USERS, ENTITLED ZERO TOLERANCE.

THE ZERO TOLERANCE PROGRAM WILL MAKE IT CLEAR TO ALL INTERNATIONAL TRAVELLERS THAT CUSTOMS WILL NO LONGER TOLERATE THE SMUGGLING OF ILLICIT DRUGS ACROSS ITS BORDERS, REGARDLESS OF THE AMOUNT. A WARNING HAS BEEN ADDED TO THE CUSTOMS DECLARATION STATING THAT ALL NARCOTICS VIOLATORS WILL BE PROSECUTED TO THE FULLEST EXTENT OF THE LAW.

WE ARE DRAFTING LEGISLATION TO ADDRESS THE SEIZURE OF VEHICLES CONTAINING HIDDEN COMPARTMENTS AND, DOUBLING THE ADMINISTRATIVE PENALTIES IN 19 U.S.C. 1497.

CUSTOMS IS NEGOTIATING WITH THE FEDERAL AVIATION ADMINISTRATION TO WORK TOGETHER IN DEVELOPING SYSTEMS TO DETER DRUG SMUGGLING VIA SMALL AIRCRAFT. INNOVATIONS WOULD INCLUDE: INTERNATIONAL PILOT'S LICENSES AND AIRCRAFT REGISTRATION, IMPROVED TRACKING TRACKING OF OUTBOUND AIRCRAFT VIA TECS/FAA INTERFACE, SHARING OF ALL FAA AIRCRAFT REGISTRATION DOCUMENTS WITH CUSTOMS FOR LAW ENFORCEMENT DATA BASE CHECKS, PLACEMENT OF TRANSPONDERS ON ALL U.S. REGISTERED AIRCRAFT OPERATING IN FOREIGN OR INTERNATIONAL AIRSPACE, AND ESTABLISHMENT OF AN INTERNATIONAL RADIO FREQUENCY FOR ALL AIRCRAFT OPERATING IN INTERNATIONAL AIRSPACE.

PORT SECURITY

BECAUSE OF THREATS AGAINST INSPECTORS ALONG THE SOUTHWEST BORDER, SOME OF WHICH ARE CARRIED OUT, NINE PORTS WERE CLOSED IN FEBRUARY, 1985. A SECURITY PLAN WAS IMPLEMENTED AND SEVEN OF THE NINE PORTS HAVE RETURNED TO NORMAL SERVICE. BASIC SECURITY AND PERSONAL ALARM SYSTEMS WERE INSTALLED AT ALL SOUTHERN LAND BORDER PORTS. FURTHER IMPROVEMENTS, SUCH AS VIDEO SURVEILLANCE AND RECORDING SYSTEMS, LIGHTING, BARRIERS AND SPEED BUMPS, AND IMPROVED COMMUNICATIONS, WERE INSTALLED IN ADDITION TO THE ACQUISITION OF PROTECTIVE VESTS FOR OUR INSPECTORS. OUR EFFORTS TO ENSURE THE SAFETY OF CUSTOMS OFFICERS AND THE SECURITY OF OUR PORT FACILITIES WILL CONTINUE TO BE A HIGH PRIORITY.

COMMERCIAL ACTIVITIES

THE OMNIBUS BUDGET RECONCILIATION ACT OF 1986 (P.L.99-509) ESTABLISHED AN AD VALOREM FEE BASED ON THE VALUE OF IMPORTED MERCHANDISE. RECEIPTS COLLECTED FROM THIS FEE ARE DEPOSITED IN THE "U.S. CUSTOMS USER FEE ACCOUNT" AND ARE TO BE USED TO OFFSET THE COST OF COMMERCIAL ACTIVITIES WITHIN THE CUSTOMS SERVICE. COMMERCIAL OPERATIONS INCLUDE ENTRY, ADMISSIBILITY REQUIREMENTS, APPRAISEMENT AND CLASSIFICATION, REGULATORY AUDIT, TECHNICAL AND LEGAL SERVICES, COMMERCIAL FRAUD, CARGO EXAMINATION, COMMERCIAL DATA SYSTEMS, AND SOME PASSENGER PROCESSING ACTIVITIES AS THEY RELATE TO DUTY COLLECTION. DUE TO A RECENT RULING AGAINST THE AD VALOREM IMPORT FEE BY A PANEL OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT), THE ADMINISTRATION INTENDS TO SUBMIT LEGISLATION THAT WILL MAKE APPROPRIATE CHANGES IN THIS FEE. THE FEE, AS CURRENTLY IN EFFECT, IS NOT CONSISTENT WITH OUR OBLIGATIONS UNDER THE GATT RULES AND THUS SUBJECTS THE UNITED STATES TO THE POSSIBILITY OF RETALIATION AND SANCTIONS BY OUR TRADING PARTNERS. THE CORRECTING LEGISLATION WILL CHANGE THE FEE FROM ITS CURRENT AD VALOREM BASIS TO A TRANSACTION-BASED FEE, IN WHICH THE FEE CHARGED FOR A PARTICULAR SERVICE IS DIRECTLY LINKED TO THE COST OF PROVIDING THAT SERVICE.

COMMERCIAL ACTIVITIES INCLUDE THE OVERALL MISSION TO CARRY OUT APPRAISEMENT, CLASSIFICATION AND COLLECTION OF DUTIES ON IMPORTED MERCHANDISE, COLLECTIONS OF STATISTICS ON IMPORTS AND EXPORTS, EFFECTIVE ENFORCEMENT OF CUSTOMS LAWS AND REGULATIONS AND OTHER AGENCY REQUIREMENTS FOR CARRIERS, CARGO, AND PERSONS ENTERING AND DEPARTING THE UNITED STATES INCLUDING DETERMINATION OF QUOTE ADMISSIBILITY AND COMPLIANCE WITH MARKING, TRADEMARK, COPYRIGHT AND LICENSING AGREEMENTS; AND ENSURING THAT IMPORTATIONS MEET ALL NECESSARY REQUIREMENTS FOR ENTRY INTO THE UNITED STATES.

IN THE LAST FEW YEARS, CUSTOMS DEDICATED ADDITIONAL RESOURCES TO COMMERCIAL OPERATIONS IN ORDER TO PROVIDE MORE EXPEDITIOUS SERVICE TO THE IMPORTING COMMUNITY AND TO IMPROVE DETECTION OF COMMERCIAL FRAUD. AMONG THE MAJOR INCREASES HAVE BEEN: ADDITIONAL INSPECTOR POSITIONS FOR THE WEST COAST AND THE SOUTHWEST BORDER; ADDITIONAL IMPORT SPECIALIST POSITIONS FOR IMPROVED SERVICE TO THE IMPORTING PUBLIC; AND ADDITIONAL SPECIAL AGENT AND AUDITOR POSITIONS FOR USE IN COMMERCIAL FRAUD. HOWEVER, NOT WITHSTANDING THE RESOURCE INCREASES, CUSTOMS MUST STILL IDENTIFY WAYS TO FACILITATE PASSENGER, CARGO, AND ENTRY PROCESSING AND STILL MAINTAIN HIGH COMPLIANCE LEVELS WHILE DEALING WITH AN INCREASINGLY COMPLEX WORKLOAD AND ESCALATING COSTS. CURRENTLY, CUSTOMS IS COPING WITH INCREASED ENTRY WORKLOADS THROUGH THE USE OF INCREASED SELECTIVITY SUPPORTED BY AUTOMATED PROCESSING, AS WELL AS STAFFING INCREASES.

COMMERCIAL FRAUD

CUSTOMS WILL CONTINUE TO GIVE COMMERCIAL FRAUD ACTIVITIES A HIGH PRIORITY. THE SHIFT IN RECENT YEARS OF RESOURCES TO SIGNIFICANT FRAUD INVESTIGATIONS HAS PRODUCED EXCELLENT RESULTS IN TERMS OF FINANCIAL GAINS TO THE GOVERNMENT AS WELL AS THE PROSECUTION OF SIGNIFICANT CRIMINAL CASES. DOMESTIC INDUSTRIES HAVE BEEN PROTECTED FROM UNFAIR AND ILLEGAL INTERNATIONAL TRADE PRACTICES AND THE GOVERNMENT HAS RECEIVED SUBSTANTIAL MONETARY RETURNS FROM CRIMINAL FINES AND CIVIL PENALTIES.

WE WILL CONTINUE OUR MULTI-DISCIPLINED FRAUD TEAMS, USING THE EXPERTISE OF SPECIAL AGENTS, IMPORT SPECIALISTS, INSPECTORS, REGULATORY AUDITORS, AND TECHNICAL STAFF. HIGH-RISK COMMODITIES SUCH AS TEXTILES, WEARING APPAREL, STEEL, COFFEE, SUGAR AND ELECTRONICS WILL CONTINUE TO BE TARGETED, AS WILL THE DETECTION OF COPYRIGHT AND TRADEMARK VIOLATIONS. INCREASED PROSECUTION AND PENALTIES RESULTING FROM THESE INVESTIGATIVE AREAS WILL PLAY A MAJOR ROLE IN INSURING THAT LAWFUL REVENUES ARE COLLECTED AND THAT THE INTEGRITY OF TRADE AGREEMENTS ARE MAINTAINED.

THE BUSINESS CLIMATE IS CONTINUING TO PRESENT CUSTOMS WITH AN INCREASED COMMERCIAL FRAUD THREAT. PROHIBITED MERCHANDISE CONTINUES TO ENTER THE U.S. COMMERCE THROUGH THE PRESENTATION OF FALSE DOCUMENTATION UPON ENTRY, USE OF COUNTERFEIT VISAS AND EXPORT LICENSES, THIRD COUNTRIES AS TRANSSHIPMENT POINTS, MISDESCRIPTION, AND MISCLASSIFICATION. IN ADDITION, REVENUE LOSSES ARE SUSTAINED DUE TO UNDERVALUATION AND THE SHIPMENT OF EXCESS MERCHANDISE NOT DECLARED UPON ENTRY. CUSTOMS WILL CONCENTRATE RESOURCES ON CASES WITH HIGH EXPECTATION OF MAJOR REVENUE RECOVERIES AND ENFORCEMENT OF TRADE PROTECTION LAWS.

THE NATIONAL FRAUD INVESTIGATIONS HOTLINE (1-800-542-USCS) HAS BEEN OPERATIONAL FOR APPROXIMATELY ONE YEAR, AND SEVERAL SIGNIFICANT FRAUD INVESTIGATIVE LEADS HAVE BEEN OBTAINED.

WHILE THERE HAS BEEN A CONTINUING FOCUS ON OTHER FRAUD INITIATIVES, RECENT CONCERNS EXPRESSED BY CONGRESS AND DOMESTIC INDUSTRIES, AS WELL AS THE ADMINISTRATION'S POLICY ON FREE AND FAIR TRADE, REQUIRE THAT WE PLACE A HIGH PRIORITY ON THE ENFORCEMENT OF COUNTRY-OF-ORIGIN MARKING REQUIREMENTS. CUSTOMS HAS INCREASED ITS EFFORT TO STOP FRAUDULENT MARKING PRACTICES AND IS CONDUCTING A MAJOR MARKING INITIATIVE WHICH IS DESIGNED TO TARGET A WIDE RANGE OF COMMODITIES PARTICULARLY SUSCEPTIBLE TO VIOLATION. TO DATE, THE RESULTS OF THE MARKING ENFORCEMENT PROGRAM HAVE CONFIRMED OUR SUSPICIONS OF SIGNIFICANT VIOLATIONS.

FINES, PENALTIES & FORFEITURES

THE OFFICE OF FINES, PENALTIES AND FORFEITURE, OR (FP&F) AT HEADQUARTERS AND IN THE FIELD, IS TASKED WITH THE EFFICIENT AND ACCURATE PROCESSING OF ALL CIVIL VIOLATIONS OF CUSTOMS LAWS ULTIMATELY CALLING FOR IMPOSITION OF A FINE, COLLECTION OF LIQUIDATED DAMAGES, OR FORFEITURE OF MERCHANDISE.

THE MAJOR OBJECTIVE OF THE FINES, PENALTIES AND FORFEITURES (FP&F) PROGRAM THIS YEAR WILL BE: NATIONAL IMPLEMENTATION OF AN FP&F AUTOMATED SYSTEMS AND; STANDARDIZATION OF FP&F FIELD PRACTICES AND PROCEDURES. AUTOMATION OF THE FP&F FILES HAS PROVIDED CONSISTENT, LEGALLY SUFFICIENT NOTICES TO VIOLATORS AND HELPED ENSURE PROMPT ACTION ON CASES BY FACILITATING INQUIRIES ON CASE STATUS. THE FP&F MODULE PUT ON-LINE NEEDED INFORMATION ABOUT BROKERS, IMPORTERS, AND SURETY PERFORMANCE AND HELPS ENSURE THE UNIFORMITY OF VIOLATION PROCESSING.

REVISED PROCEDURES AND AUTOMATED ASSISTS FOR PROCESSING NO FILE/LATE FILE CASES WILL BE IMPLEMENTED. ONE SPECIAL EFFORT, PROJECT 6000, IS REDUCING THE CASE BACKLOGS WHILE AUTOMATION IS PROVIDING CUSTOMS WITH THE ABILITY TO PROCESS CASES IN A TIMELY MANNER.

SEIZURE PROGRAM - CONTRACTING OUT

IN FY 1985 CUSTOMS INITIATED A CONTRACT WITH NORTHOP WORLDWIDE AIRCRAFT SERVICES, INC., TO STORE, MAINTAIN, AND DISPOSE OF SEIZURES (OTHER THAN DRUGS, PROHIBITED MERCHANDISE, AND OTHER SENSITIVE ITEMS) MADE BY CUSTOMS. TO DATE, THEY HAVE PROCESSED MORE THAN 17,400 SEIZURES VALUED AT OVER $351.7 MILLION. OVER 90 PERCENT OF CONSIGNED PROPERTY IS STORED WITH SUBCONTRACTORS UNDER LONG-TERM CONTRACT AGREEMENTS. AS OF DECEMBER 24, 1987, THERE WERE 6,902 SEIZURES IN NORTHROP CUSTODY AS FOLLOWS:

AIRCRAFT	136
VESSELS	289
VEHICLES	1,775
OTHER	4,702

NORTHROP HAS RECENTLY BEEN AWARDED THE CONTRACT FOR STORAGE, MAINTENANCE, AND DISPOSITION OF CUSTOMS GENERAL ORDER MERCHANDISE AND THEY ARE CURRENTLY IN A START-UP PERIOD ON THE CONTRACT.

THESE TWO CONTRACTS REPRESENT A MAJOR ACCOMPLISHMENT ON THE PART OF CUSTOMS TO MORE EFFECTIVELY MANAGE GOVERNMENT ASSETS TO MAXIMIZE THEIR VALUE FOR THE AMERICAN TAXPAYER.

AUTOMATED COMMERCIAL SYSTEM: SUMMARY

THE AUTOMATED COMMERCIAL SYSTEM (ACS) IS NOW PROCESSING MERCHANDISE ENTRIES, REVENUE COLLECTIONS, ENTRY LIQUIDATIONS, AND AN INCREASING NUMBER OF BROKER TRANSACTIONS. ACS IS A SINGLE AUTOMATED SYSTEM WHICH ELECTRONICALLY INTEGRATES NEARLY ALL ASPECTS OF CUSTOMS COMMERCIAL CARGO PROCESSING. IT PROVIDES AN ELECTRONIC MEDIUM FOR MERCHANDISE PROCESSING AND RELEASE, CARGO EXAMINATION, ENTRY SELECTIVITY, DUTY COLLECTION, AND LIQUIDATION. IT PROVIDES TO SUBSCRIBERS INFORMATION ON BONDS, QUOTAS, FINES, PENALTIES, AND FORFEITURES. IT CALCULATES INTEREST ON BILLS, AND GENERATES STATISTICAL DATA WHICH CAN BE UTILIZED BY OTHER AGENCIES, SUCH AS CENSUS. AUTOMATED BROKER INTERFACE (OR ABI) IS A SUBSYSTEM OF ACS WHICH PERMITS CUSTOMHOUSE BROKERS AND IMPORTERS TO INTERFACE DIRECTLY WITH THE CUSTOMS COMPUTER IN ORDER TO TRANSMIT ENTRY DATA ON IMPORTED MERCHANDISE. THE SELECTIVE ENTRY PROCESSING MODULE IS DESIGNED TO HELP CUSTOMS OFFICERS IDENTIFY HIGH/LOW-RISK ENTRIES FOR QUICK PROCESSING. ACS/CARGO SELECTIVITY IS CURRENTLY OPERATING IN 97 PORTS OF ENTRY THROUGHOUT THE U.S.

CARGO SELECTIVITY HAS BEEN ENHANCED TO INCORPORATE MORE DATA ELEMENTS AND A HISTORY FILE WHICH WILL BE EXPANDED TO PROVIDE A COMPREHENSIVE TRACK RECORD OF IMPORTERS AND COMMODITIES. ULTIMATELY, THE SYSTEM WILL PERMIT CUSTOMS, THROUGH THE USE OF PRE-PROGRAMMED CRITERIA, TO PROCESS AND LIQUIDATE SELECTED ENTRIES WITH ABSOLUTELY NO HARD COPY DOCUMENTATION.

AUTOMATED BROKER INTERFACE

THE USE OF AUTOMATED BROKER INTERFACE (ABI), COUPLED WITH AN INTEGRATED DATA BASE, WILL ELIMINATE THE NEED FOR KEYING OF REDUNDANT DATA, WHICH IS A MAJOR PART OF MANUAL PREPARATION OF IMPORT DOCUMENTATION. ABI IS OPERATIONAL WITH 324 CLIENTS, BROKERS AND IMPORTERS, WHO HAVE ACCESS TO THE COMPUTER SYSTEMS FOR HANDLING CUSTOMS ENTRY DATA ACCORDING TO ABI REQUIREMENTS. AT THIS TIME, OVER 50 PERCENT OF TOTAL ENTRY SUMMARIES ARE PROCESSED THROUGH COMPUTERS. BASED ON EXTENSIVE BROKER SURVEYS, THE POTENTIAL ENTRY VOLUME FOR ABI IS ABOUT 75-85 PERCENT OF ALL ENTRIES. UNDER THESE CIRCUMSTANCES, ABI PROVIDES A UNIQUE OPPORTUNITY FOR BOTH THE TRADE COMMUNITY AND CUSTOMS TO IMPROVE THEIR RESPECTIVE PROCESSING BY THE ELECTRONIC INTERCHANGE OF DATA. ULTIMATELY, ACS/ABI WILL ELIMINATE THE NEED FOR MANUAL FILING OF MILLIONS OF DOCUMENTS, WHILE ASSISTING IN ERROR CORRECTION PRIOR TO CUSTOMS PROCESSING AND REDUCING COSTLY REHANDLING OF TRANSACTIONS.

AUTOMATED MANIFEST SYSTEM

THE CUSTOMS AUTOMATED MANIFEST SYSTEM (AMS) IS BOTH AN IMPORTED MERCHANDISE INVENTORY AND A CARGO RELEASE NOTIFICATION SYSTEM. THE MANIFEST MODULE IS INTERACTIVE WITH OTHER ACS MODULES.

AMS IS A MEANS OF SPEEDING THE FLOW OF CARGO THROUGH USE OF AN ELECTRONIC RELEASE NOTIFICATION, WHICH IN THE CASE OF SEA CARGO, IS DESIGNED TO TRANSMIT RELEASE NOTIFICATION PRIOR TO ARRIVAL OF THE MERCHANDISE IN THE U.S. THE INVENTORY FILES FOR AMS ARE CREATED IN THE CUSTOMS COMPUTER FROM DATA TRANSMITTED TO THE CUSTOMS DATA CENTER BY CARRIER, PORT AUTHORITY, OR SERVICE CENTER COMPUTER. THIRTEEN CARRIERS, THREE PORT AUTHORITIES, AND TWO SERVICE CENTERS ARE NOW FULLY OPERATIONAL AS AMS PARTICIPANTS. AMS IS BEING USED CURRENTLY TO PROCESS 35 PERCENT OF THE TOTAL SEA BILLS OF LADING HANDLED BY CUSTOMS. CUSTOMS IS CURRENTLY PURSUING AMS IN THE INTERNATIONAL AIR CARGO INDUSTRY.

HARMONIZED SYSTEM

PENDING CONGRESSIONAL ACTION, IT IS EXPECTED THAT THE U.S. WILL REPLACE THE CURRENT TARIFF SYSTEM WITH THE NEW INTERNATIONAL HARMONIZED SYSTEM. ALTHOUGH IT WILL NOT AFFECT U.S. DUTY RATES OR COLLECTIONS, THE SYSTEM, DEVELOPED OVER 12 YEARS OF CONSULTATIONS, IS INTENDED TO PROVIDE THE U.S. AND OTHER TRADING NATIONS WITH A COMMON BASIS FOR DESCRIBING AND CODING BOTH IMPORTED AND EXPORTED MERCHANDISE. THIS WILL IN TURN PERMIT US TO SIMPLIFY AND HARMONIZE BOTH CUSTOMS AND COMMERCIAL DOCUMENTATION AND PROCEDURES, SO THAT MERCHANDISE ENTERING THE U.S., AND U.S. MERCHANDISE SHIPPED TO OTHER COUNTRIES, CAN BE PROCESSED MORE QUICKLY AND IN A MORE UNIFORM AND PREDICTABLE MANNER.

MC KINSEY STUDY

THE MC KINSEY STUDY WAS CONDUCTED BY MC KINSEY AND COMPANY OF NEW YORK WITH ASSISTANCE FROM CUSTOMS PERSONNEL. IT PROVIDES CUSTOMS WITH A STRATEGIC VISION TO FACILITATE THE PLANNING AND IMPLEMENTATION OF PROCEDURES AND SYSTEMS REQUIRED TO IMPROVE ENFORCEMENT OF TRADE LAWS AND OPERATING EFFICIENCY. THE STUDY IS BASED ON INFORMATION AND DATA ASSEMBLED DURING INTERVIEWS WITH REPRESENTATIVES FROM A BROAD SPECTRUM OF U.S. AND EUROPEAN MANUFACTURERS, INTERMEDIARIES, AND AGENCIES INVOLVED IN INTERNATIONAL TRADE. SEVERAL OF THE MC KINSEY RECOMMENDATIONS ARE ALREADY BEING IMPLEMENTED BY CUSTOMS SUCH AS CONTINUED VIGOROUS MARKETING OF ABI TO CUSTOMS BROKERS AND IMPORTERS AS WELL AS EXPANSION OF TOTALLY PAPERLESS ENTRY AND RELEASE PROCESSING. OTHER OPPORTUNITIES COULD: 1) INCREASE IMPORT SPECIALIST TIME DEVOTED TO PRE-CLASSIFICATION; 2) EXPAND AUTOMATED MANIFEST SYSTEMS TO OVERSIGHT OF COURIERS AND RAILROADS; 3) INCREASE THE USE OF AUDITS FOR ENFORCEMENT PURPOSES; 4) DEVELOP ELECTRONIC MESSAGES FOR COMMUNICATING ENTRY AND INVOICE SUMMARY DATA; 5) DEVELOP ELECTRONIC INTERFACES WITH OTHER FEDERAL AGENCIES; AND 6) DEVELOP A PLAN TO CREATE INTERFACE WITH CUSTOMS AGENCIES AND CORPORATIONS WORLDWIDE.

CUSTOMS FIELD LABORATORIES

CUSTOMS FIELD LABORATORIES HAVE SIGNIFICANTLY EXPANDED THEIR ROLES IN SUPPORTING INVESTIGATIONS OF COMMERCIAL FRAUD THROUGH ENHANCED DOCKSIDE EXAMINATIONS AND IMPROVED TECHNOLOGY WITHIN THE LABORATORY. ENHANCEMENTS IN ANALYTICAL INSTRUMENTATION WILL PROVIDE THE LABORATORIES WITH THE CAPABILITIES TO SUPPLY SOPHISTICATED TECHNICAL INFORMATION IN SUPPORT OF COMMERCIAL FRAUD. THE LABORATORIES WILL BE OPERATING AN "18-WHEELER" MOBILE LABORATORY ALONG THE SOUTHWEST BORDER WITH THREE ADDITIONAL MOBILE VANS USED TO SUPPORT CUSTOMS ENFORCEMENT EFFORTS. THEY WILL PARTICIPATE IN MULTI-DISCIPLINE FRAUD TEAMS, PROVIDING TECHNICAL INFORMATION ON HIGH-RISK COMMODITIES SUCH AS TEXTILES, STEEL PRODUCTS, SUSPECTED COUNTERFEIT GOODS, AND PRODUCTS SUSPECTED OF INFRINGING PATENTS OR COPYRIGHTS.

CENTRALIZED CARGO PROCESSING

THE 1987 BUDGET RECONCILIATION ACT SUSPENDED OPERATION OF CUSTOMS CENTRAL EXAMINATION STATION (CES) PROGRAM AT AIRPORTS PENDING A GAO STUDY TO BE COMPLETED BY MARCH 30, 1988. THE LAW ALSO STIPULATED THAT CUSTOMS NOTIFY CONGRESS AT LEAST 90 DAYS PRIOR TO OPENING OR REESTABLISHING CES'S.

GAO HAS COMPLETED ITS STUDY IN WHICH IT COULD FIND NO BASIS FOR RECOMMENDING AGAINST RESTARTING THE CES PROGRAM AT CERTAIN AIRPORTS. THEREFORE, CUSTOMS INTENDS TO WORK WITHIN THE GUIDELINES SET FORTH BY CONGRESS TO ESTABLISH CES'S AT THOSE LOCATIONS WHERE THEY ARE WARRANTED. THE APPROPRIATE COMMITTEES IN CONGRESS HAVE BEEN ADVISED OF CUSTOMS INTENT.

NORTHERN BORDER INITIATIVE

THE ESTABLISHMENT OF COMMERCIAL CENTERS AND PERMIT PORTS WILL GIVE CUSTOMS THE OPPORTUNITY TO MORE EFFICIENTLY UTILIZE OUR MANPOWER AND ENABLE US TO CONCENTRATE OUR AUTOMATED SYSTEMS CARGO EXAMINATION EQUIPMENT AND FACILITIES AT SPECIFIC LOCATIONS RATHER THAN AT ALL OF THE CROSSING ALONG THE NORTHERN BORDER. THIS CONCEPT IS CONSISTENT WITH OUR FACILITATION EFFORTS WHILE GIVING US ENFORCEMENT CAPABILITIES THAT DO NOT EXIST AT OUR SMALL PORTS OF ENTRY.

CUSTOMS HAS TESTED A COMMERCIAL CENTER/PERMIT PORT SYSTEM IN THE STATE OF MAINE FOR THE PAST SIX MONTHS AND HAS FOUND IT TO BE WORKING SUCCESSFULLY. WITH THE APPROVAL FROM THE CONGRESSIONAL DELEGATIONS IN THE AFFECTED STATES, THE SYSTEM WILL BE EXPANDED TO ESTABLISH APPROXIMATELY 26 NORTHERN BORDER PORTS OF ENTRY AS COMMERCIAL CENTERS. THE REMAINING PORTS WILL BE PERMIT PORTS. THE BASIC PREMISES ARE: (1) AS MUCH CARGO WILL BE FUNNELED TO THE COMMERCIAL CENTERS AS POSSIBLE; (2) PERMITS TO ENTER LOW-RISK CARGO AT OTHER THAN COMMERCIAL CENTER WILL BE ISSUED IF IT WOULD CAUSE A HARDSHIP TO ENTER THE MERCHANDISE ELSEWHERE; AND (3) CURRENT STAFFING LEVELS, HOURS OF SERVICE, PASSENGER PROCESSING, INFORMAL ENTRIES AND NON-COMMERCIAL SHIPMENTS WILL NOT BE AFFECTED.

COOPERATIVE EFFORTS WITH BORDER TRADE ALLIANCE

MEETINGS WITH THE BORDER TRADE ALLIANCE WHICH REPRESENTS SOUTHWEST BORDER COMMERCIAL INTERESTS FROM BROWNSVILLE, TEXAS TO SAN YSIDRO, CALIFORNIA HAVE LED TO THE DEVELOPMENT OF SEVERAL ACTION ITEMS AIMED AT IMPROVING THE FLOW OF CARGO TRAFFIC ALONG THE SOUTHERN BORDER AND INTO U.S. CUSTOMS IMPORT LOTS. BORDER TRADE ALLIANCE DISCUSSIONS HAVE INVOLVED MEXICAN CUSTOMS REPRESENTATIVES WHO HAVE AGREED TO ASSIST IN ENSURING AN EVEN FLOW OF TRUCK RELEASES FROM MEXICO. MEXICAN CUSTOMS IS LOOKING AT THE DEVELOPMENT OF STAGING AREAS SOUTH OF THE BORDER FOR TRUCKS AWAITING THEIR U.S. ENTRY DOCUMENTS, OR TO QUEUE UP FOR ENTRANCE TO THE BUSY BRIDGES.

BILATERAL AGREEMENTS

CUSTOMS IS MAKING STEADY PROGRESS IN OBTAINING BILATERAL AGREEMENTS. CUSTOMS ENTERS INTO THESE VARIOUS AGREEMENTS FOR A MULTITUDE OF PURPOSES AMONG WHICH ARE ASSURANCE OF ACCURATE ASSESSMENT OF CUSTOMS DUTIES, COOPERATION IN THE ENFORCEMENT ARENA, AND FORMAL RECOGNITION OF MUTUAL ECONOMIC, FISCAL AND COMMERCIAL INTERESTS IN SIGNATORY COUNTRIES. CURRENTLY, THERE ARE FORMALLY SIGNED AGREEMENTS WITH: FRANCE, AUSTRIA, GERMANY, MEXICO, CANADA, ITALY, KOREA, CYPRUS, SWEDEN, AND FINLAND; NEGOTIATIONS ARE ONGOING WITH SPAIN AND BELGIUM WITH RENEGOTIATION OF THE 1936 FRENCH AGREEMENT ALSO IN PROGRESS. WE HAVE RECEIVED NEGOTIATION AUTHORITY FROM THE STATE DEPARTMENT FOR ISRAEL, UNITED KINGDOM, PANAMA, GREECE, BRAZIL, AND ARGENTINA; AND WE HAVE REQUESTED NEGOTIATION AUTHORITY FOR NORWAY AND DENMARK.

ADVISORY COMMITTEE ON CUSTOMS COMMERCIAL OPERATIONS

IN EARLIER TESTIMONY THIS YEAR BEFORE THE HOUSE COMMITTEE ON APPROPRIATIONS, FORMER ASSISTANT SECRETARY KEATING MENTIONED THE ESTABLISHMENT OF THE NEW TREASURY ADVISORY COMMITTEE ON COMMERCIAL OPERATIONS OF THE CUSTOMS SERVICE. I WOULD LIKE TO FOLLOW THAT TESTIMONY BY SAYING THAT I AM LOOKING FORWARD TO HEARING THE VIEWS AND RECOMMENDATIONS OF THE ADVISORY COMMITTEE AND WORKING WITH TREASURY TO IMPLEMENT THOSE AS APPROPRIATE.

CONCLUSION

CUSTOMS IS A MULTI-MISSION AGENCY. IT BEARS THE TREMENDOUS RESPONSIBILITY OF THWARTING TRADE IN ILLICIT NARCOTICS WHILE AT THE SAME TIME FACILITATING LEGITIMATE INTERNATIONAL TRADE IN MERCHANDISE. CUSTOMS PLANS TO USE THE RESOURCES AT ITS DISPOSAL AND THE MANAGEMENT INNOVATIONS DISCUSSED TODAY TO RECONCILE THESE TWO SOMETIMES CONFLICTING GOALS.

THIS CONCLUDES MY INTRODUCTORY STATEMENT.

I AM READY TO DISCUSS THE DETAILS OF THE REQUEST AND ANSWER YOUR QUESTIONS AND THOSE OF THE SUBCOMMITTEE MEMBERS.

CUSTOMS SERVICE NEW POSITIONS

Senator Bentsen: As a result of authorization and appropriations for the 1987 and 1988 Fiscal Years, the Customs Service has been required to hire more than 2,000 additional personnel. Have all required new positions been filled as of the present date? If not, give a projection of when all positions are expected to be filled. Show how the new positions have been allocated among the Customs regions. Futhermore, show how the new positions have been allocated between Enforcement and Commercial Operations. Include a breakdown of new hires by position.

Mr. Lane: A breakdown of position increases by region and district for FY 1987 and FY 1988 has been provided. The servicewide full time on-board staffing at the beginning of FY 1987 was 13,671. As of July 16, 1988, Customs full time on-board staffing had reached 16,099 an increase of 2,428.

In the worksheets Customs Increases for FY 1987 and FY 1988, the new positions are distributed between Enforcement and Commercial Operations. Included in the worksheets is a breakdown of new hires by position.

Customs Increases
For FY 1987
Positions

Operation	Inspection & Control Inspectors	Inspection & Control Support	Investigations	Tactical	Intelligence	Enforcement Support	Canine	Air Program	Import Specialist	Commercial Support	Technical Support, ACS, and Audit	Security Legal & Other	Position Total	Percent % of Total
Commercial	37	6	0	0	0	0	0	0	21	82 \1	0	67 \2	227	18.3%
Enforcement	266	0	150	200	15	16	7	345	0	0	0	4	1015	81.7%
Total	323	0	150	200	15	16	7	345	21	82	0	71	1242	100.0%

\1 -- Combined into Commercial Support are Inspection Aides, Entry Aides, and Customs Aides

\2 -- Security, Legal, and Other includes Fines, Penalties, and Forfeitures

Customs Increases
For FY 1988
Positions

Operation	Inspection & Control Inspectors	Inspection & Control Support	Investigations	Tactical	Intelligence	Enforcement Support	Canine	Air Program	Import Specialist	Commercial Support	Technical Support, ACS, and Audit	Security Legal & Other	Position Total	Percent % of Total
Commercial	302	47	99	0	0	0	0	0	121	39	169	27	804	74.0%
Enforcement	40	0	87	14	52	31	2	46	0	0	0	11	283	26.0%
Total	342	47	186	14	52	31	2	46	121	39	169	38	1,087	100.0%

U.S. CUSTOMS SERVICES INCREASES FOR
FISCAL YEAR 1988
(Includes all offices at those locations)

	Inspectors	I&C Support	Investigations	Tactical	Intelligence	Enforcement Support	Air Program	Import Specialist	Commercial Support	Technical Support, ACS, & Audit	Security Legal Other	Total
NORTHEAST REGION												
Baltimore, MD	7	1	0	0	0	0	0	1	1	0	0	10
Boston, MAS	8	2	17	0	3	8	0	6	2	10	0	56
Buffalo, NY	0	1	0	0	0	0	0	0	2	0	0	3
Ogdensburg, NY	0	1	0	0	0	0	0	0	1	0	0	2
Philadelphia, PA	0	1	0	0	0	0	0	1	0	5	0	7
Portland, ME	0	1	0	0	0	0	0	1	0	0	0	2
St. Albans, VT	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal, Northeast Region	15	7	17	0	3	8	0	9	6	15	0	80
New York Region												
New York	0	13	51	0	11	0	0	20	1	19	0	115
JFK International	15	0	0	0	0	0	0	5	7	0	0	27
Subtotal, New York Region	15	13	51	0	11	0	0	25	8	19	0	142
North Central Region												
Chicago, Ill	10	1	50	0	0	13	0	6	1	6	0	87
Cleveland, OH	11	1	0	0	0	0	0	3	0	0	0	15
Detroit, MI	0	0	0	0	0	0	0	0	1	1	0	2
Great Falls, MT	0	2	0	0	0	0	0	0	0	0	0	2
Milwaukee, WI	0	0	0	0	0	0	0	1	0	0	0	1
Denver, CO	0	0	0	0	0	0	0	1	0	0	0	1
Cincinnati, OH	0	0	0	0	0	0	0	0	0	5	0	5
St. Louis, MO	0	2	0	0	0	0	0	1	0	5	0	8
Minneapolis, MN	0	0	0	0	0	0	0	0	0	0	0	0
Pembina, ND	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal, North Central Region ...	21	6	50	0	0	13	0	12	2	17	0	121

Note: Regional cities include some positions which have not yet been allocated by the regions to the districts.

	Inspectors	E&C Support	Investigations	Tactical	Intelligence	Enforcement Support	Air Program	Import Specialist	Commercial Support	Technical Support, ACS, & Audit	Security Legal Other	Total
SOUTHEAST REGION												
Savannah, GA	0	1	0	0	0	0	0	3	2	0	0	6
Tampa, FL	0	2	0	0	0	0	0	2	1	0	0	5
Miami, FL	51	3	18	0	1	0	0	3	3	3	0	82
Freeport, Bahamas	2	0	0	0	0	0	0	0	0	0	0	2
Norfolk, VA	1	0	0	0	0	0	0	0	0	0	0	1
Charleston, SC	0	2	0	0	0	0	0	1	1	0	0	4
Wilmington, NC	5	1	0	0	0	0	0	2	0	0	0	8
Charlotte, NC	0	0	0	0	0	0	0	0	0	6	0	6
Atlanta, GA	0	0	0	0	0	0	0	0	0	7	0	7
Jacksonville, FL	0	0	0	0	0	0	0	0	0	0	0	0
Pensacola, FL	0	0	0	0	0	0	0	0	0	0	0	0
Tyndall, FL	0	0	0	0	0	0	0	0	0	0	0	0
Puerto Rico	0	0	0	0	0	0	0	0	0	0	0	0
Washington, D.C.	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal, Southeast Region	59	9	18	0	1	0	0	11	7	16	0	121
SOUTH CENTRAL REGION												
Mobile, AL	0	1	0	0	0	0	0	0	0	1	0	2
New Orleans, LA	0	0	8	0	0	6	0	2	0	4	0	20
Memphis, TN	3	1	0	0	0	0	0	0	0	0	0	4
Nashville, TN	0	0	0	0	0	0	0	0	0	3	0	3
Subtotal, South Central Region ...	3	2	8	0	0	6	0	2	0	8	0	29
SOUTHWEST REGION												
Laredo, TX	49	1	0	0	0	0	0	1	1	0	0	52
El Paso, TX	75	4	0	0	0	0	0	1	1	1	1	83
Nogales, AZ	27	1	0	0	0	0	0	2	0	0	0	30
Dallas/Ft. Worth, TX .	0	1	0	0	0	0	0	1	0	3	0	5
San Antonio, TX	0	0	0	0	0	0	0	0	0	0	0	0
Houston, TX	0	1	8	14	0	0	0	0	2	10	0	35
Tucson, AZ	0	0	0	0	0	0	0	0	0	0	0	0
Corpus Christi, TX ...	0	0	0	0	0	0	0	0	0	0	0	0
San Angelo, TX	0	0	0	0	0	0	0	0	0	0	0	0
Phoenix, AZ	0	0	0	0	0	0	0	0	0	0	0	0
Albuquerque, NM	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma City, OK	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal, Southwest Region	151	8	8	14	0	0	0	5	4	14	1	205

Note: Regional cities include some positions which have not yet been allocated by the regions to the districts.

	Inspectors	I&C Support	Investigations	Tactical	Intelligence	Enforcement Support	Air Program	Import Specialist	Commercial Support	Technical Support, ACS, & Audit	Security Legal Other	Total
Pacific Region												
San Diego, CA	48	1	0	0	0	0	0	1	2	0	0	52
Los Angeles, CA	5	1	20	0	5	0	0	28	1	13	0	73
San Francisco, CA	6	1	0	0	0	0	0	4	2	0	0	13
Portland, OR	7	0	0	0	0	0	0	2	0	3	0	12
Honolulu, HI	2	0	0	0	0	0	0	0	1	0	0	3
Seattle, WA	0	1	0	0	0	0	0	2	2	1	0	6
San Jose, CA	0	0	0	0	0	0	0	0	0	3	0	3
Riverside, CA	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal, Pacific Region	68	4	20	0	5	0	0	37	8	20	0	162
SUBTOTAL, CUSTOMS OPERATIONS	332	49	172	14	20	27	0	101	35	109	1	860
Other Positions	10	0	14	0	32	4	46	20	4	60	37	227
TOTAL CUSTOMS OPERATIONS	342	49	186	14	52	31	46	121	39	169	38	1,087

Note: Regional cities include some positions which have not yet been allocated by the regions to the districts.

U.S CUSTOMS SERVICE INCREASES FOR
FISCAL YEAR 1987
(Includes all offices at those locations)

	Inspectors	I&C Support	Investigations	Tactical	Intelligence	Enforcement Support	Air Program	Import Specialist	Commercial Support	Technical Support, ACS, & Audit	Security Legal Other	Total
NORTHEAST REGION												
Baltimore, MD	9	1	0	0	0	0	0	2	5	0	0	17
Boston, MAS	0	0	0	0	0	0	0	0	2	0	0	2
Buffalo, NY	6	0	0	0	0	0	0	0	2	0	0	8
Ogdensburg, NY	6	0	0	0	0	0	0	0	1	0	0	7
Philadelphia, PA	0	0	0	0	0	0	0	0	1	0	0	1
Portland, ME	0	0	0	0	0	0	0	0	1	0	0	1
St. Albans, VT	0	0	0	0	0	0	0	0	1	0	1	2
Subtotal, Northeast Region	21	1	0	0	0	0	0	2	13	0	1	38
New York Region												
New York	0	0	0	0	0	0	3	1	7	0	0	11
JFK International	0	0	0	0	0	0	0	2	21	0	0	23
Subtotal, New York Region	0	0	0	0	0	0	3	3	28	0	0	34
North Central Region												
Chicago, Ill	0	0	0	0	0	0	0	2	5	0	0	7
Cleveland, OH	0	0	0	0	0	0	0	1	3	0	0	4
Detroit, MI	20	0	0	0	0	0	0	0	2	0	0	22
Great Falls, MT	0	0	0	0	0	0	0	0	2	0	0	2
Milwaukee, WI	0	0	0	0	0	0	0	0	0	0	0	0
Denver, CO	0	0	0	0	0	0	0	0	0	0	0	0
Cincinnati, OH	0	0	0	0	0	0	0	0	0	0	0	0
St. Louis, MO	0	0	0	0	0	0	0	1	0	0	0	1
Minneapolis, MN	0	0	0	0	0	0	0	0	1	0	0	1
Pembina, ND	0	0	0	0	0	0	0	0	1	0	0	1
Subtotal, North Central Region ...	20	0	0	0	0	0	0	4	14	0	0	38

Note: Regional cities include some positions which have not yet been allocated by the regions to the districts.

SOUTHEAST REGION	Inspectors	I&C Support	Investigations	Tactical	Intelligence	Enforcement Support	Air Program	Import Specialist	Commercial Support	Technical Support, ACS, & Audit	Security Legal Other	Total
Savannah, GA	0	0	0	0	0	0	0	1	2	0	1	4
Tampa, FL	5	0	13	14	1	0	3	0	2	0	0	38
Miami, FL	36	0	10	38	5	5	28	0	2	0	3	127
Freeport, Bahamas	0	0	0	0	0	0	0	0	0	0	0	0
Norfolk, VA	0	0	0	0	0	0	0	0	1	0	0	1
Charleston, SC	0	0	0	0	0	0	0	0	2	0	0	2
Wilmington, NC	0	0	0	0	0	0	0	1	0	0	0	1
Charlotte, NC	0	0	0	0	0	0	0	0	0	0	0	0
Atlanta, GA	0	0	0	0	0	0	0	0	0	0	0	0
Jacksonville, FL	0	0	0	0	0	0	23	0	0	0	0	23
Pensacola, FL	0	0	0	0	0	0	2	0	0	0	0	2
Tyndall, FL	0	0	0	0	0	0	3	0	0	0	0	3
Puerto Rico	0	0	0	0	0	0	3	0	0	0	0	3
Washington, D.C.	0	0	0	0	0	0	1	0	0	0	0	1
Subtotal, Southeast Region	41	0	23	52	6	5	63	2	9	0	4	205
SOUTH CENTRAL REGION												
Mobile, AL	3	2	11	26	0	0	0	0	0	0	0	42
New Orleans, LA	15	2	24	84	1	0	42	0	1	0	0	169
Memphis, TN	0	0	0	0	0	0	0	0	0	0	0	0
Nashville, TN	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal, South Central Region ...	18	4	35	110	1	0	42	0	1	0	0	211
SOUTHWEST REGION												
Laredo, TX	20	0	0	0	0	0	0	0	2	0	0	22
El Paso, TX	28	0	14	6	0	0	9	0	1	0	0	58
Nogales, AZ	13	0	0	0	0	0	0	0	3	0	0	16
Dallas/Ft. Worth, TX .	10	0	0	0	0	0	0	0	0	0	0	10
San Antonio, TX	0	0	15	12	0	0	13	0	0	0	0	40
Houston, TX	0	0	11	25	0	0	20	0	2	0	0	58
Tucson, AZ	0	0	14	4	0	0	29	0	0	0	0	47
Corpus Christi, TX ...	0	0	0	0	0	0	34	0	0	0	0	34
San Angelo, TX	0	0	0	0	0	0	32	0	0	0	0	32
Phoenix, AZ	0	0	0	0	0	0	5	0	0	0	0	5
Albuquerque, NM	0	0	0	0	0	0	25	0	0	0	0	25
Oklahoma City, OK	0	0	0	0	0	0	32	0	0	0	0	32
Subtotal, Southwest Region	71	0	54	47	0	0	199	0	8	0	0	379

Note: Regional cities include some positions which have not yet been allocated by the regions to the districts.

	Inspectors	IMC Support	Investigations	Tactical	Intelligence	Enforcement Support	Air Program	Import Specialist	Commercial Support	Technical Support, ACS, & Audit	Security Legal Other	Total
Pacific Region												
San Diego, CA	62	2	12	0	0	0	9	0	2	0	0	87
Los Angeles, CA	72	0	26	0	8	11	0	4	10	0	7	138
San Francisco, CA	1	0	3	0	0	0	0	3	4	0	2	13
Portland, OR	0	0	0	0	0	0	0	0	1	0	0	1
Honolulu, HI	12	0	0	0	0	0	0	0	2	0	0	14
Seattle, WA	5	0	0	0	0	0	0	3	6	0	0	14
San Jose, CA	0	0	0	0	0	0	0	0	0	0	0	0
Riverside, CA	0	0	0	0	0	0	29	0	0	0	0	29
Subtotal, Pacific Region	152	2	41	0	8	11	38	10	25	0	9	296
SUBTOTAL, CUSTOMS OPERATIONS	323	7	153	209	15	16	345	21	98	0	14	1,201
Other Positions	0	0	0	0	0	0	0	0	41	0	0	41
TOTAL CUSTOMS OPERATIONS	323	7	153	209	15	16	345	21	139	0	14	1,242

Note: Regional cities include some positions which have not yet been allocated by the regions to the districts.

DRUG INTERDICTION

Senator Bentsen: Please provide statistics regarding drug interdiction efforts for all years between 1982 and the present, including the most recent quarterly or monthly information for 1988. Data should be provided both on a nationwide basis and for the Southwest Border. This information should include:

A listing of all aircraft and other major equipment in service, together with the location of this equipment and major facilities used in anti-drug operations.

Mr. Lane: The following documentation provides a listing of all Customs aircraft and other major equipment used in anti-drug operations, together with their locations.

PRESENT AIRCRAFT DEPLOYMENT
BY USE CATEGORY
JUNE 15, 1988

FUNCTION	MIA*	JAX*	MSY	HOU	CRP	SJT*	ABQ*	TUC*	SAN*	TOTAL
DETECTION										
P-3B AEW					1					1
P-3A					4					4
E-2C					2					2
INTERCEPTORS										
Citation II	2	1	1			1		1		6
TRACKERS										
Piper Cheyenne IIIA (CHET)	2		1	1		1	1	1	1	8
Beechcraft King Air (B200)		1		1		1	1			4
Beechcraft King Air (E-90)								1		1
APPREHENSION										
UH-60A Black Hawk	2	1	2	1		2	1	2	1	12
SUBTOTAL	6	3	4	3	7	5	3	5	2	38
ENFORCEMENT SUPPORT										
Twin	6	7	3	2	2	2	2	2	1	27
C-12 (Beech King Air B200)	1		1			1	1		2	6
Single-Engine		1		1			1	2	1	6
Helicopter		2	1	1		1		1	2	8
SUBTOTAL	7	10	5	4	2	4	4	5	6	47
==========================	====	====	===	===	===	====	====	====	====	=====
TOTAL	13	13	9	7	9	9	7	10	8	85

* Includes Aviation Units

CUMULATIVE VESSEL ASSIGNMENT LIST

[illegible]

NATION-WIDE TOTAL: [illegible]

Interceptors [illegible]
Radar Platforms [illegible]
[illegible]

REGIONAL TOTALS

Southeast

[illegible]

New York

[illegible]

Pacific

[illegible]

Northeast

[illegible]

Southwest

[illegible]

North Central

[illegible]

South Central

[illegible]

MLETP

[illegible]

NOTE: [illegible]

Senator Bentsen: Please provide statistics regarding drug interdiction efforts for all years between 1982 and the present, including the most recent quarterly or monthly information for 1988. Data should be provided both on a nationwide basis and for the Southwest Border. This information should include:

Statistics on arrests, drug seizures, and seizures of currency, vehicles, and aircraft.

Mr. Lane: The following documentation provides all available Customs statistics on arrests, drug seizures, and seizures of currency, vehicles, vessels and aircraft, both nationwide and for the Southwest Border for the fiscal years 1982 through 1988 to date. Southwest Border statistics include the Southwest Region plus the San Diego district.

OFFICIAL USE ONLY -- TECS II INFORMATION -- OFFICIAL USE ONLY

07/13/88 U.S. CUSTOMS SERVICE - LAW ENFORCEMENT SYSTEMS DIVISION PAGE 605

S588002003Q-NATL CUSTOMS OFFICERS CLEAR ARREST & SEIZURE SUMMARY QUARTERLY REPORT

NATIONAL

	JAN FY 88	FEB FY 88	MAR FY 88	APR FY 88	MAY FY 88	JUN FY 88	FYTD 88	CYTD 88
CUSTOMS OFFICER ARRESTS	657	645	907	1034	1133	1037	7378	5453
USC COOPERATIVE ARRESTS	388	428	485	641	631	580	4429	3153
TOTAL CUSTOMS ARRESTS	1045	1073	1392	1675	1764	1617	11807	8606
NCIC ARRESTS	90	88	113	124	134	102	925	651
TECS ARRESTS	49	37	60	67	71	55	546	339
TOTAL TECS/NCIC ARRESTS*	139	125	173	191	205	157	1471	990
TOTAL CF-151 SEIZURE INCIDENTS	5009	4357	6170	5637	5486	3667	46249	30332

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

		JAN FY 88	FEB FY 88	MAR FY 88	APR FY 88	MAY FY 88	JUN FY 88	FYTD 88	CYTD 88
HEROIN	NUMBER OF SEIZURES	27	24	30	27	24	29	250	161
	QUANTITY SEIZED (LBS)	112.5	249.1	97.4	81.2	43.6	127.1	992.6	710.8
COCAINE	NUMBER OF SEIZURES	163	166	221	207	224	182	1752	1163
	QUANTITY SEIZED (LBS)	2798.5	6891.2	7639.7	22872.6	16850.2	11543.6	101628.9	68595.9
HASHISH	NUMBER OF SEIZURES	125	113	185	150	119	156	1189	848
	QUANTITY SEIZED (LBS)	2992.0	170.3	27.4	17.5	86371.4	44.6	92295.8	89623.2
MARIJUANA	NUMBER OF SEIZURES	881	806	1132	1341	1154	898	8734	6212
	QUANTITY SEIZED (LBS)	63516.6	94435.9	82998.0	58402.7	68428.8	159161.2	750362.0	526943.1
OPIUM	NUMBER OF SEIZURES	35	64	178	86	138	101	734	602
	QUANTITY SEIZED (LBS)	118.6	42.3	359.8	184.1	357.2	80.2	1324.8	1142.1
MORPHINE	NUMBER OF SEIZURES	2	3	1	0	0	1	8	7
	QUANTITY SEIZED (LBS)	2.0	13.8	0.1	0.0	0.0	*	16.4	15.9
OTHER DRUGS	NUMBER OF SEIZURES	272	276	322	256	274	172	2196	1572
	QUANTITY SEIZED (TB)	97276	128763	40563	48841	46971	228491	858695	590908
TOTAL NARCOTIC SEIZURES		1505	1452	2069	2067	1933	1539	14863	10565

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07/13/88 U.S. CUSTOMS SERVICE - LAW ENFORCEMENT SYSTEMS DIVISION PAGE 606

SS880020039-NATL CUSTOMS OFFICERS CLEAR ARREST & SEIZURE SUMMARY QUARTERLY REPORT

NATIONAL

		JAN FY 88	FEB FY 88	MAR FY 88	APR FY 88	MAY FY 88	JUN FY 88	FYTD 88	CYTD 88
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S									
PROHIBITED	NUMBER OF SEIZURES	1002	759	1496	1568	1573	949	10116	7347
VEHICLES	NUMBER OF SEIZURES	747	725	1136	1365	1262	998	8624	6233
	QUANTITY SEIZED	881	766	1215	1403	4782	1036	12569	10083
	DOMESTIC VALUE	5928505	5573876	8942836	10508264	9439795	6645964	69479891	47039240
AIRCRAFT	NUMBER OF SEIZURES	9	9	9	7	15	6	86	55
	QUANTITY SEIZED	95	9	10	8	15	6	176	143
	DOMESTIC VALUE	694442	121568500	307500	428500	22703100	32245000	186820057	177947042
VESSELS	NUMBER OF SEIZURES	13	28	29	28	57	17	250	172
	QUANTITY SEIZED	17	28	32	28	88	17	298	216
	DOMESTIC VALUE	766500	1901500	2051800	2045562	86449468	5640900	107032434	98855730
ARMS	NUMBER OF SEIZURES	54	58	61	60	49	48	527	330
	QUANTITY SEIZED	230	164	1123	1035	190	77	27893	2819
	DOMESTIC VALUE	12590	32105	85773	205314	47084	40242	4706412	423108
AMMUNITIONS	NUMBER OF SEIZURES	28	29	29	34	30	31	298	181
	QUANTITY SEIZED	2470	84495	24517	2147	16825	78700	289495	209154
	DOMESTIC VALUE	6490	262493	113109	11354	537283	2460561	3744150	3391290
MONETARY	NUMBER OF SEIZURES	231	220	273	221	245	257	2065	1447
	DOMESTIC VALUE	14237579	18976290	12145253	15287529	12343545	22210975	117315211	95201171
GENERAL MERCHANDISE	NUMBER OF SEIZURES	2159	1834	2244	2036	1944	1307	19348	11524
	DOMESTIC VALUE	25569950	32759589	30086914	30165380	31439645	27699509	254219987	177720987
TOTAL NON NARCOTIC SEIZURES		4243	3662	5277	5319	5175	3613	41314	27289
TOTAL NON NARCOTIC DOMESTIC VALUE		47216056	181074353	53733185	58651903	162959920	96943151	743318142	600578568
TOTAL NARCOTIC & NON NARCOTIC SEIZURES		5748	5114	7346	7386	7108	5152	56177	37854

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07/13/88 U.S. CUSTOMS SERVICE - LAW ENFORCEMENT SYSTEMS DIVISION PAGE 603

55680020030-SWRG CUSTOMS OFFICERS CLEAR ARREST & SEIZURE SUMMARY QUARTERLY REPORT

REGION: SOUTHWEST

		JAN FY 88	FEB FY 88	MAR FY 88	APR FY 88	MAY FY 88	JUN FY 88	FYTD 88	CYTD 88
CUSTOMS OFFICER ARRESTS		197	188	231	236	244	199	1809	1295
USC COOPERATIVE ARRESTS		126	112	165	190	173	120	1259	886
TOTAL CUSTOMS ARRESTS		323	300	396	426	417	319	3068	2181
NCIC ARRESTS		32	32	40	41	45	24	319	214
TECS ARRESTS		10	8	15	16	19	17	133	85
TOTAL TECS/NCIC ARRESTS*		42	40	55	57	64	41	452	299
TOTAL CF-151 SEIZURE INCIDENTS		1175	1053	1517	1215	1212	696	9861	6868

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

		JAN FY 88	FEB FY 88	MAR FY 88	APR FY 88	MAY FY 88	JUN FY 88	FYTD 88	CYTD 88
HEROIN	NUMBER OF SEIZURES	6	2	4	2	5	3	32	22
	QUANTITY SEIZED (LBS)	2.3	*	1.4	8.9	9.6	0.3	27.5	22.6
COCAINE	NUMBER OF SEIZURES	19	34	46	56	41	33	295	229
	QUANTITY SEIZED (LBS)	7.0	449.0	196.6	4784.2	3241.5	961.0	11490.5	9639.3
HASHISH	NUMBER OF SEIZURES	16	5	23	16	24	15	150	99
	QUANTITY SEIZED (LBS)	0.9	*	0.2	0.1	0.1	0.3	4.5	1.5
MARIJUANA	NUMBER OF SEIZURES	265	253	375	355	352	245	2527	1845
	QUANTITY SEIZED (LBS)	16025.7	7405.4	23096.3	11374.6	14388.9	6942.7	107828.6	79233.6
OPIUM	NUMBER OF SEIZURES	1	0	1	0	1	1	4	4
	QUANTITY SEIZED (LBS)	100.0	0.0	*	0.0	0.1	*	100.1	100.1
MORPHINE	NUMBER OF SEIZURES	0	0	1	0	0	0	1	1
	QUANTITY SEIZED (LBS)	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1
OTHER DRUGS	NUMBER OF SEIZURES	198	193	202	147	134	60	1216	934
	QUANTITY SEIZED (TB)	▷34165	109485	23033	38787	20142	155530	435991	381143
TOTAL NARCOTIC SEIZURES		505	487	652	576	557	357	4225	3134

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07/13/88 U.S. CUSTOMS SERVICE - LAW ENFORCEMENT SYSTEMS DIVISION

SS880020030-SWRG CUSTOMS OFFICERS CLEAR ARREST & SEIZURE SUMMARY QUARTERLY REPORT

REGION: SOUTHWEST

		JAN FY 88	FEB FY 88	MAR FY 88	APR FY 88	MAY FY 88	JUN FY 88	FYTD 88	CYTD 88
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S									
PROHIBITED	NUMBER OF SEIZURES	148	115	215	177	229	110	1360	994
VEHICLES	NUMBER OF SEIZURES	250	255	373	412	373	274	2604	1937
	QUANTITY SEIZED	362	256	412	428	3885	286	6318	5629
	DOMESTIC VALUE	1325636	826375	1400202	1346243	1404941	828885	9609567	7132282
AIRCRAFT	NUMBER OF SEIZURES	4	2	5	2	9	2	36	24
	QUANTITY SEIZED	4	2	6	2	9	2	37	25
	DOMESTIC VALUE	57000	68500	232500	104500	7553100	35000	14547600	8050600
VESSELS	NUMBER OF SEIZURES	0	1	2	2	1	1	9	7
	QUANTITY SEIZED	0	1	2	2	1	1	9	7
	DOMESTIC VALUE	0	12000	13800	12562	0	69400	108537	107762
ARMS	NUMBER OF SEIZURES	30	23	21	24	21	17	196	136
	QUANTITY SEIZED	72	40	43	897	36	26	1371	1114
	DOMESTIC VALUE	4719	5006	6525	6059	9778	5580	67922	37667
AMMUNITIONS	NUMBER OF SEIZURES	13	13	10	15	14	12	111	77
	QUANTITY SEIZED	909	946	22696	1585	479	30282	81252	56897
	DOMESTIC VALUE	302	99	6401	267	682	2210036	2270097	2217787
MONETARY	NUMBER OF SEIZURES	46	36	61	49	54	35	394	281
	DOMESTIC VALUE	1325021	516912	3005203	2054479	1899582	2716621	13810142	11517818
GENERAL MERCHANDISE	NUMBER OF SEIZURES	433	344	518	423	369	187	3548	2274
	DOMESTIC VALUE	4608602	1111223	4247602	1979610	6727171	1391209	26631131	20065497
TOTAL NON NARCOTIC SEIZURES		924	789	1205	1104	1070	638	8258	5730
TOTAL NON NARCOTIC DOMESTIC VALUE		7321280	2540115	8912313	5503720	17595254	7256731	67044996	49129413
TOTAL NARCOTIC & NON NARCOTIC SEIZURES		1429	1276	1857	1680	1627	995	12483	8864

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07/13/88 U.S. CUSTOMS SERVICE - LAW ENFORCEMENT SYSTEMS DIVISION PAGE 537

SS880020030-2500 CUSTOMS OFFICERS CLEAR ARREST & SEIZURE SUMMARY QUARTERLY REPORT

REGION: PACIFIC DISTRICT: 25 SAN DIEGO, CA

	JAN FY 88	FEB FY 88	MAR FY 88	APR FY 88	MAY FY 88	JUN FY 88	FYTD 88	CYTD 88
CUSTOMS OFFICER ARRESTS	193	116	211	364	264	136	1907	1324
USC COOPERATIVE ARRESTS	25	18	24	32	41	30	289	170
TOTAL CUSTOMS ARRESTS	218	134	235	396	305	166	2196	1494
NCIC ARRESTS	13	7	12	22	25	18	148	97
TECS ARRESTS	5	4	9	7	10	5	66	40
TOTAL TECS/NCIC ARRESTS*	18	11	21	29	35	23	214	137
TOTAL CF-151 SEIZURE INCIDENTS	444	411	595	633	505	347	4879	2941

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

		JAN FY 88	FEB FY 88	MAR FY 88	APR FY 88	MAY FY 88	JUN FY 88	FYTD 88	CYTD 88
HEROIN	NUMBER OF SEIZURES	4	2	3	4	5	3	31	21
	QUANTITY SEIZED (LBS)	1.8	1.4	*	4.8	3.7	3.5	21.4	15.2
COCAINE	NUMBER OF SEIZURES	20	21	26	26	24	28	215	145
	QUANTITY SEIZED (LBS)	0.3	0.7	475.2	0.2	0.1	486.8	7061.0	963.2
HASHISH	NUMBER OF SEIZURES	0	0	0	3	1	0	8	4
	QUANTITY SEIZED (LBS)	0.0	0.0	0.0	*	*	0.0	*	*
MARIJUANA	NUMBER OF SEIZURES	111	81	170	190	199	121	1293	872
	QUANTITY SEIZED (LBS)	2004.7	1672.4	3417.7	3522.7	818.7	1342.5	20393.9	12778.6
OPIUM	NUMBER OF SEIZURES	0	0	0	0	1	0	3	1
	QUANTITY SEIZED (LBS)	0.0	0.0	0.0	0.0	10.5	0.0	74.5	10.5
MORPHINE	NUMBER OF SEIZURES	0	0	0	0	0	0	0	0
	QUANTITY SEIZED (LBS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER DRUGS	NUMBER OF SEIZURES	12	23	40	33	35	23	261	166
	QUANTITY SEIZED (TB)	51714	5428	714	466	2593	180	113954	61097
TOTAL NARCOTIC SEIZURES		147	127	239	256	265	175	1811	1209

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07/13/88 U.S. CUSTOMS SERVICE - LAW ENFORCEMENT SYSTEMS DIVISION

SS880020030-2500 CUSTOMS OFFICERS CLEAR ARREST & SEIZURE SUMMARY QUARTERLY REPORT

REGION: PACIFIC DISTRICT: 25 SAN DIEGO, CA

		JAN FY 88	FEB FY 88	MAR FY 88	APR FY 88	MAY FY 88	JUN FY 88	FYTD 88	CYTD 88
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S									
PROHIBITED	NUMBER OF SEIZURES	47	44	126	197	157	112	897	683
VEHICLES	NUMBER OF SEIZURES	187	173	253	284	337	236	2110	1470
	QUANTITY SEIZED	188	178	260	284	340	240	2134	1490
	DOMESTIC VALUE	727003	792643	1148551	1286573	1459639	953093	9344680	6367502
AIRCRAFT	NUMBER OF SEIZURES	0	0	0	1	0	0	1	1
	QUANTITY SEIZED	0	0	0	1	0	0	1	1
	DOMESTIC VALUE	0	0	0	15000	0	0	15000	15000
VESSELS	NUMBER OF SEIZURES	0	2	0	0	2	3	10	7
	QUANTITY SEIZED	0	2	0	0	3	3	11	8
	DOMESTIC VALUE	0	50000	0	0	80250000	216000	80584575	80516000
ARMS	NUMBER OF SEIZURES	7	5	10	5	6	7	74	40
	QUANTITY SEIZED	11	10	15	7	10	11	134	64
	DOMESTIC VALUE	1678	2330	1910	1605	973	2255	27263	10751
AMMUNITIONS	NUMBER OF SEIZURES	5	1	3	1	2	5	37	17
	QUANTITY SEIZED	112	1	42	32	7	103	5671	297
	DOMESTIC VALUE	85	0	12	10	1	27	2121	135
MONETARY	NUMBER OF SEIZURES	4	8	10	6	10	13	75	51
	DOMESTIC VALUE	17121	26052	1371806	77648	124900	346054	2418599	1963581
GENERAL MERCHANDISE	NUMBER OF SEIZURES	222	216	230	237	125	91	2110	1121
	DOMESTIC VALUE	2570838	236695	692718	223263	263504	3210199	8016201	7197217
TOTAL NON NARCOTIC SEIZURES		472	449	632	731	639	467	5314	3390
TOTAL NON NARCOTIC DOMESTIC VALUE		3316725	1107720	3214997	1604099	82099017	4727628	100408439	96070186
TOTAL NARCOTIC & NON NARCOTIC SEIZURES		619	576	871	987	904	642	7125	4599

........*.....................GRID D 02...GRID D 02..............
*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

NATIONAL

DATE 10/87

	APRIL FY 87	MAY FY 87	JUNE FY 87	JULY FY 87	AUGUST FY 87	SEPTEMBER FY 87	FISCAL 87 TO DATE	CALENDAR 87 TO DATE
CUSTOMS ARRESTS	1193	1181	1174	1081	978	1118	14400	10274
USC COOP ARRESTS	593	651	685	597	562	621	7335	5500
TOTAL ARRESTS*	1786	1832	1859	1678	1540	1739	21735	15774
NCIC ARRESTS	126	143	155	154	156	136	1749	1283
TECS ARRESTS	142	166	104	124	112	123	1520	1144
TECS/NCIC ARRESTS*	268	309	259	278	268	259	3269	2427

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 87	MAY FY 87	JUNE FY 87	JULY FY 87	AUGUST FY 87	SEPTEMBER FY 87	FISCAL 87 TO DATE	CALENDAR 87 TO DATE
HEROIN SEIZURES	32	120	81	60	15	52	527	446
QUANTITY SEIZED (LBS)	49.3	98.9	73.0	31.4	9.9	40.8	439.0	449.9
COCAINE SEIZURES	184	194	165	203	212	191	2158	1690
QUANTITY SEIZED (LBS)	3826.0	8811.6	9061.7	14220.5	12699.1	11407.8	87898.3	69563.2
HASHISH SEIZURES	118	102	134	243	301	175	1930	1475
QUANTITY SEIZED (LBS)	45.8	24.6	18.2	56.1	198.4	65.0	1073.2	905.9
MARIJUANA SEIZURES	1193	1355	1241	1412	1421	1294	14569	11430
QUANTITY SEIZED (LBS)	167357.1	234870.3	25746.9	148983.4	226360.0	129687.1	1701149.6	1275994.3
OPIUM SEIZURES	52	25	32	35	105	70	538	466
QUANTITY SEIZED (LBS)	32.8	8.6	52.4	94.2	176.4	58.1	1014.6	561.1
MORPHINE SEIZURES	0	0	1	3	2	0	8	7
QUANTITY SEIZED (LBS)	0	0	*	3.0	0.8	0	4.2	4.1
OTHER DRUG SEIZURES	290	287	252	280	393	372	3345	2564
QUANTITY SEIZED (TB)	61632	187135	452195	214681	940713	220937	3881793	3713776
TOTAL NARCOTIC SEIZURES	1869	2083	1906	2236	2449	2154	23075	18078

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

.........8......................GRID E 02...GRID E 02...............................

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

NATIONAL

DATE 10/87

	APRIL FY 87	MAY FY 87	JUNE FY 87	JULY FY 87	AUGUST FY 87	SEPTEMBER FY 87	FISCAL 87 TO DATE	CALENDAR 87 TO DATE
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S								
PROHIBITED NON-NARCOTIC SEIZURES	1226	1084	16718	1536	1597	1451	32254	29020
VEHICLE SEIZURES	921	1062	968	1164	1092	1014	11400	8903
QUANTITY SEIZED	991	1178	1024	1204	1132	1068	12124	9470
DOMESTIC VALUE	7591784	7664529	6802485	7344664	8053819	6972746	84806987	67144265
AIRCRAFT SEIZURES	19	13	21	12	15	11	176	138
QUANTITY SEIZED	19	15	21	22	15	13	193	154
DOMESTIC VALUE	31603772	32140288	6688635	1535445	1116695	1000000	112479486	78129736
VESSEL SEIZURES	46	60	66	77	68	45	535	445
QUANTITY SEIZED	51	61	202	77	72	46	720	596
DOMESTIC VALUE	1807420	7904853	3392404	2107100	1453345	960000	23783142	20854092
MONETARY SEIZURES	196	173	213	162	234	222	2138	1693
DOMESTIC VALUE	10:19461	13889414	8401435	5749819	6971279	7676664	102382985	77057015
GEN MDSE SEIZURES	3665	3756	3562	3343	3608	3213	40257	30849
DOMESTIC VALUE	121087248	39887412	41392047	37895969	29062044	21757522	417750271	356908833
TOTAL NON-NARCOTIC SEIZURES	6075	6148	21548	6294	6614	5956	86760	71048
DOMESTIC VALUE	172409685	101486496	66677006	54632997	46657182	40366932	741202871	600093941
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	7944	8231	23456	8530	9063	8110	109835	89126
TOTAL CF151 SEIZURE INCIDENTS	6951	7130	7087	7479	8022	7164	82223	64177

.........8.....................GRID J 01...GRID J 01................................

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION SOUTHWEST DATE 10/87

	APRIL FY 87	MAY FY 87	JUNE FY 87	JULY FY 87	AUGUST FY 87	SEPTEMBER FY 87	FISCAL 87 TO DATE	CALENDAR 87 TO DATE
CUSTOMS ARRESTS	315	317	265	312	241	317	3858	2819
USC COOP ARRESTS	169	191	200	168	170	170	2346	1740
TOTAL ARRESTS*	484	508	465	480	411	487	6204	4559
NCIC ARRESTS	46	54	66	67	72	66	735	560
TECS ARRESTS	47	72	50	42	33	32	620	430
TECS/NCIC ARRESTS*	93	126	116	109	105	98	1355	990

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 87	MAY FY 87	JUNE FY 87	JULY FY 87	AUGUST FY 87	SEPTEMBER FY 87	FISCAL 87 TO DATE	CALENDAR 87 TO DATE
HEROIN SEIZURES	4	4	5	6	4	8	54	43
QUANTITY SEIZED (LBS)	*	53.9	0.7	5.0	3.4	3.3	73.6	71.1
COCAINE SEIZURES	37	29	18	30	27	34	349	261
QUANTITY SEIZED (LBS)	550.4	117.3	2077.8	31.6	13.6	3606.0	8107.8	7483.4
HASHISH SEIZURES	5	16	36	40	49	24	263	218
QUANTITY SEIZED (LBS)	*	1.2	0.2	0.3	0.2	0.2	3.2	2.6
MARIJUANA SEIZURES	249	281	222	275	274	221	3249	2491
QUANTITY SEIZED (LBS)	5621.3	12456.0	4830.6	14338.8	132258.9	6050.9	223852.8	203819.8
OPIUM SEIZURES	0	0	0	1	2	0	3	3
QUANTITY SEIZED (LBS)	0	0	0	*	1.0	0	1.0	1.0
MORPHINE SEIZURES	0	0	0	0	0	0	1	1
QUANTITY SEIZED (LBS)	0	0	0	0	0	0	0.4	0.4
OTHER DRUG SEIZURES	124	102	102	121	165	149	1467	1047
QUANTITY SEIZED (TB)	51682	70900	145093	142226	247030	37448	907393	811372
TOTAL NARCOTIC SEIZURES	419	432	383	473	521	436	5386	4064

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

....GRID J 01................................

..........GRID K 01 ....GRID K 01..........
*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION SOUTHWEST

DATE 10/87

	APRIL FY 87	MAY FY 87	JUNE FY 87	JULY FY 87	AUGUST FY 87	SEPTEMBER FY 87	FISCAL 87 TO DATE	CALENDAR 87 TO DATE
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S								
PROHIBITED NON-NARCOTIC SEIZURES	273	194	285	267	355	151	2915	2263
VEHICLE SEIZURES	308	315	245	296	239	260	3467	2579
QUANTITY SEIZED	338	340	263	305	240	268	3664	2731
DOMESTIC VALUE	1095360	276072	940561	1117797	1050379	924393	12646387	8746145
AIRCRAFT SEIZURES	1	3	4	4	4	6	40	33
QUANTITY SEIZED	1	3	4	4	4	10	44	37
DOMESTIC VALUE	240000	1346000	140000	447000	326000	735000	3969750	3605000
VESSEL SEIZURES	1	0	2	3	1	0	14	11
QUANTITY SEIZED	1	0	2	3	1	0	14	11
DOMESTIC VALUE	1850	0	10800	3400	7000	0	50050	28650
MONETARY SEIZURES	38	31	35	31	38	48	439	335
DOMESTIC VALUE	994296	1411247	3599491	710312	883457	1186794	14991845	12416142
GEN MDSE SEIZURES	756	705	576	681	771	510	8272	6263
DOMESTIC VALUE	2773388	2634287	1336167	919716	1180579	733943	20344831	13466993
TOTAL NON-NARCOTIC SEIZURES	1377	1248	1147	1282	1408	975	15149	11484
DOMESTIC VALUE	5104894	6267506	6027019	3198225	3447415	3580130	52024863	38262930
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	1796	1660	1530	1755	1929	1411	20535	15548
TOTAL CF151 SEIZURE INCIDENTS	1539	1443	1337	1529	1753	1203	17704	13527

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***
..........GRID K 01..GRID K 01..........

........8.................GRID D 06..GRID D 06................................

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION PACIFIC DISTRICT SAN DIEGO, CA

DATE 10/87

	APRIL FY 87	MAY FY 87	JUNE FY 87	JULY FY 87	AUGUST FY 87	SEPTEMBER FY 87	FISCAL 87 TO DATE	CALENDAR 87 TO DATE
CUSTOMS ARRESTS	480	506	541	403	400	463	6261	4293
USC COOP ARRESTS	59	71	65	78	62	38	782	574
TOTAL ARRESTS*	539	577	606	481	462	501	7043	4867
NCIC ARRESTS	24	28	15	26	34	15	367	235
TECS ARRESTS	25	29	17	19	22	21	247	194
TECS/NCIC ARRESTS*	49	57	32	45	56	36	614	429

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 87	MAY FY 87	JUNE FY 87	JULY FY 87	AUGUST FY 87	SEPTEMBER FY 87	FISCAL 87 TO DATE	CALENDAR 87 TO DATE
HEROIN SEIZURES	1	4	4	12	4	0	56	44
QUANTITY SEIZED (LBS)	0.6	4.6	3.4	4.6	0.8	0	33.4	27.8
COCAINE SEIZURES	22	35	21	36	24	21	280	219
QUANTITY SEIZED (LBS)	8.0	0.4	2.8	17.4	29.5	868.2	2723.9	2718.7
HASHISH SEIZURES	1	1	0	2	2	2	18	13
QUANTITY SEIZED (LBS)	*	*	0	*	*	*	*	*
MARIJUANA SEIZURES	178	197	151	138	139	182	1645	1374
QUANTITY SEIZED (LBS)	6338.4	4123.7	9494.4	3196.4	2163.5	3336.5	44530.0	38820.4
OPIUM SEIZURES	1	0	0	0	0	0	1	1
QUANTITY SEIZED (LBS)	*	0	0	0	0	0	*	*
MORPHINE SEIZURES	0	0	0	0	0	0	0	0
QUANTITY SEIZED (LBS)	0	0	0	0	0	0	0	0
OTHER DRUG SEIZURES	42	52	43	22	35	52	419	356
QUANTITY SEIZED (TB)	518	60032	14595	5068	342839	14142	447867	445040
TOTAL NARCOTIC SEIZURES	245	289	219	210	204	257	2419	2007

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

DATE 10/87

REGION PACIFIC DISTRICT SAN DIEGO, CA

	APRIL FY 87	MAY FY 87	JUNE FY 87	JULY FY 87	AUGUST FY 87	SEPTEMBER FY 87	FISCAL 87 TO DATE	CALENDAR 87 TO DATE
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S								
PROHIBITED NON-NARCOTIC SEIZURES	86	130	219	197	86	77	1209	1011
VEHICLE SEIZURES	239	294	246	216	225	244	2852	2212
QUANTITY SEIZED	240	296	250	217	225	248	2862	2221
DOMESTIC VALUE	1110165	1498946	1082971	821179	984822	1051148	11648193	9633433
AIRCRAFT SEIZURES	0	0	0	0	1	0	1	1
QUANTITY SEIZED	0	0	0	0	1	0	1	1
DOMESTIC VALUE	0	0	0	0	10000	0	10000	10000
VESSEL SEIZURES	0	1	1	1	0	0	5	4
QUANTITY SEIZED	0	1	1	1	0	0	5	4
DOMESTIC VALUE	0	0	5000	5500	0	0	48920	47920
MONETARY SEIZURES	7	9	5	10	3	5	86	62
DOMESTIC VALUE	1037923	2964923	64986	257911	128114	149003	6760434	5589227
GEN MDSE SEIZURES	394	341	338	302	340	271	4320	3039
DOMESTIC VALUE	660489	783004	302418	444239	717630	200944	5143721	4174220
TOTAL NON-NARCOTIC SEIZURES	726	775	809	726	635	597	8473	6329
DOMESTIC VALUE	2808577	5246873	1455575	1530829	1842566	1401117	23611268	19454800
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	971	1064	1028	936	859	854	10892	8336
TOTAL CF151 SEIZURE INCIDENTS	758	790	799	749	657	637	8434	6357

.........*......................GRID D 02...GRID D 02.............................

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

DATE 10/86

NATIONAL	APRIL FY 86	MAY FY 86	JUNE FY 86	JULY FY 86	AUGUST FY 86	SEPTEMBER FY 86	FISCAL 86 TO DATE	CALENDAR 86 TO DATE
CUSTOMS ARRESTS	2235	1109	967	1989	1817	1859	19656	15470
USC COOP ARRESTS	574	623	598	569	601	593	6676	5125
TOTAL ARRESTS*	2809	1732	1565	2558	2418	2452	26332	20595
NCIC ARRESTS	152	132	149	147	138	156	1652	1278
TECS ARRESTS	117	138	130	104	120	133	1484	1134
TECS/NCIC ARRESTS*	269	270	279	251	258	289	3136	2412

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 86	MAY FY 86	JUNE FY 86	JULY FY 86	AUGUST FY 86	SEPTEMBER FY 86	FISCAL 86 TO DATE	CALENDAR 86 TO DATE
HEROIN SEIZURES	30	34	41	25	34	28	406	306
QUANTITY SEIZED (LBS)	38.3	41.7	41.2	27.6	46.5	70.1	692.4	525.4
COCAINE SEIZURES	230	231	180	172	184	184	2577	1870
QUANTITY SEIZED (LBS)	7446.0	4000.3	3560.2	2563.0	5451.6	6517.9	32520.9	42870.0
HASHISH SEIZURES	130	157	223	272	341	236	2158	1749
QUANTITY SEIZED (LBS)	3.9	24.7	4165.4	95.7	725.1	49.8	17555.4	17350.8
MARIJUANA SEIZURES	830	915	815	868	942	934	10377	7930
QUANTITY SEIZED (LBS)	163892.9	483673.6	173328.9	169452.2	61571.5	78401.3	2211068.1	1463992.0
OPIUM SEIZURES	153	87	154	47	57	43	807	704
QUANTITY SEIZED (LBS)	37.7	14.3	33.2	12.4	44.9	62.7	321.2	289.4
MORPHINE SEIZURES	0	2	1	0	2	0	8	6
QUANTITY SEIZED (LBS)	0	*	*	0	0.1	0	0.6	0.2
OTHER DRUG SEIZURES	234	229	244	277	278	386	2680	2204
QUANTITY SEIZED (#)	44343	23973	62435	67391	32228	262075	1424682	1264445
TOTAL NARCOTIC SEIZURES	1607	1655	1658	1461	1838	1811	19013	14769

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

..........GRID E 02..........GRID E 02..........

*** U. S. CUSTOMS SERVICE　　　　U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

NATIONAL　　　　DATE 10/86

	APRIL FY 86	MAY FY 86	JUNE FY 86	JULY FY 86	AUGUST FY 86	SEPTEMBER FY 86	FISCAL 86 TO DATE	CALENDAR 86 TO DATE
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S								
PROHIBITED NON-NARCOTIC SEIZURES	931	1029	1248	1207	1571	1196	12785	10033
VEHICLE SEIZURES	682	747	772	839	854	881	8911	6752
QUANTITY SEIZED	729	809	834	920	940	960	9775	7463
DOMESTIC VALUE	5931630	5976588	7464750	6021001	7009070	7005196	74597069	57681219
AIRCRAFT SEIZURES	5	7	12	8	18	7	123	96
QUANTITY SEIZED	5	7	12	9	18	7	135	106
DOMESTIC VALUE	113650	712105	483530	1705000	3426900	542000	17414450	14098254
VESSEL SEIZURES	27	31	23	21	30	40	292	229
QUANTITY SEIZED	30	31	23	25	30	40	302	237
DOMESTIC VALUE	1482701	1060650	1154785	2769175	497900	1264410	14423560	11313968
MONETARY SEIZURES	114	143	114	96	97	113	1370	1078
DOMESTIC VALUE	12409650	6478824	5331308	4468894	12720443	6781503	121535526	88336785
GEN MDSE SEIZURES	2424	2398	2458	2678	2993	3088	30489	22881
DOMESTIC VALUE	17059765	14333772	24239614	22317714	15019195	18791954	237849607	181049375
TOTAL NON-NARCOTIC SEIZURES	4183	4355	4627	4849	5563	5325	53970	41069
DOMESTIC VALUE	36997396	28561939	38673987	37281784	38673508	34385063	465820212	352479601
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	5790	6010	6285	6510	7401	7136	72983	55838
TOTAL CF151 SEIZURE INCIDENTS	5173	5245	5602	5842	6577	6440	65106	49707

*** U. S. CUSTOMS SERVICE　　　　U. S. CUSTOMS SERVICE ***

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.........#...................GRID J 01.............................................GRID J 01.................................
***  U. S. CUSTOMS SERVICE                                                                         U. S. CUSTOMS SERVICE  ***
                                                   CLEAR ARREST & SEIZURE SUMMARY
                                                         QUARTERLY REPORT
                                                                                                               DATE 10/86
REGION SOUTHWEST

                                   APRIL         MAY         JUNE        JULY       AUGUST    SEPTEMBER   FISCAL 86  CALENDAR 86
                                   FY 86        FY 86       FY 86       FY 86       FY 86       FY 86      TO DATE     TO DATE

CUSTOMS ARRESTS                      340          329         271         349         372         333        4030        3102

USC COOP ARRESTS                     189          176         168         146         178         179        1911        1536

TOTAL ARRESTS*                       509          505         439         495         550         512        5941        4638

NCIC APRESTS                          60           54          57          58          58          73         639         511

TECS ARRESTS                          41           53          48          36          46          58         522         423

TECS/NCIC ARRESTS*                   101          107         105          94         104         131        1161         934

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C   S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

HEROIN SEIZURES                        3            5           5           3           7           2          60          47
QUANTITY SEIZED (LPS)                  *          5.5         0.4         0.1         6.2           *        20.7        14.1

COCAINE SEIZURES                      16           27          27          27          25          25         271         224
QUANTITY SEIZED (LBS)             1055.8         37.4       761.3      1364.9       894.1         0.3      4467.3      4347.8

HASHISH SEIZURES                      12           15          32          26          30          16         230         187
QUANTITY SEIZED (LBS)                  *          0.9         0.4         4.5         0.4         0.1        35.8        31.9

MARIJUANA SEIZURES                   187          158         136         129         130         174        2178        1586
QUANTITY SEIZED (LBS)             6644.7       3222.0      1748.9     30403.5       923.6       655.9     81066.8     60859.9

OPIUM SEIZURES                         1            0           0           1           0           0           5           4
QUANTITY SEIZED (LBS)                  *            0           0           *           0           0         0.4         0.4

MORPHINE SEIZURES                      0            0           1           0           1           0           2           2
QUANTITY SEIZED (LBS)                  0            0           *           0           *           0           *           *

OTHER DRUG SEIZURES                   80           56          87          92         129         227        1091         939
QUANTITY SEIZED (TB)               10271        11639       24979       12462       24421      230438      832960      810175

TOTAL NARCOTIC SEIZURES              299          301         288         278         322         444        3837        2989



***  U. S. CUSTOMS SERVICE                                                                         U. S. CUSTOMS SERVICE  ***
..............................................................................GRID J 01.................................
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*** U. S. CUSTOMS SERVICE ....GRID K 01....GRID K 01.... U. S. CUSTOMS SERVICE ***

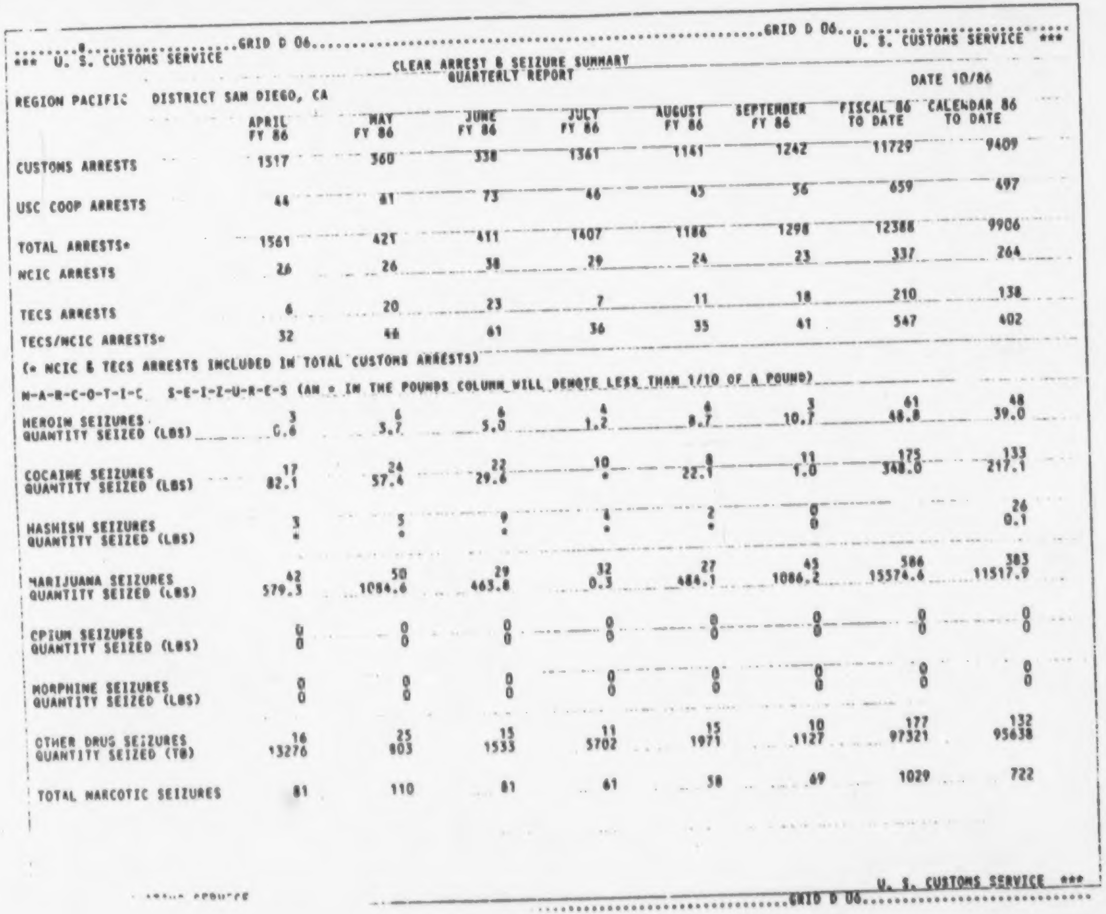
CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION SOUTHWEST

DATE 10/86

	APRIL FY 86	MAY FY 86	JUNE FY 86	JULY FY 86	AUGUST FY 86	SEPTEMBER FY 86	FISCAL 86 TO DATE	CALENDAR 86 TO DATE
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S								
PROHIBITED NON-NARCOTIC SEIZURES	230	279	283	327	322	291	3058	2527
VEHICLE SEIZURES	217	156	152	161	186	267	2372	1798
QUANTITY SEIZED	220	198	164	164	195	281	2471	1874
DOMESTIC VALUE	609598	663564	595150	635057	786228	1052523	8988798	6938644
AIRCRAFT SEIZURES	2	2	6	1	7	1	36	32
QUANTITY SEIZED	2	2	6	1	7	1	36	32
DOMESTIC VALUE	45000	26000	200000	350000	769500	125000	6130000	5095000
VESSEL SEIZURES	0	0	1	1	0	0	2	2
QUANTITY SEIZED	0	0	1	1	0	0	2	2
DOMESTIC VALUE	0	0	2500	2500	0	0	5000	5000
MONETARY SEIZURES	20	23	21	20	22	30	286	213
DOMESTIC VALUE	2862883	1097475	909900	320013	736502	972942	16582301	11170071
GEN MDSE SEIZURES	430	485	425	555	658	695	6217	4746
DOMESTIC VALUE	482788	508783	1478513	5769205	1766945	1086958	17617056	14270433
TOTAL NON-NARCOTIC SEIZURES	899	985	888	1065	1195	1284	11971	9318
DOMESTIC VALUE	4000069	2295822	3186063	7076775	4059175	3237433	49323155	37479148
TOTAL-NARCOTIC & NON-NARCOTIC SEIZURES	1198	1286	1176	1343	1517	1728	15808	12307
TOTAL CF151 SEIZURE INCIDENTS	1051	1136	1050	1219	1353	1574	13969	10909

U. S. CUSTOMS SERVICE ....GRID K 01.... U. S. CUSTOMS SERVICE ***



........8......................GRID D 06..GRID D 06...................................

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

DATE 10/86

REGION PACIFIC DISTRICT SAN DIEGO, CA

	APRIL FY 86	MAY FY 86	JUNE FY 86	JULY FY 86	AUGUST FY 86	SEPTEMBER FY 86	FISCAL 86 TO DATE	CALENDAR 86 TO DATE
CUSTOMS ARRESTS	1517	360	338	1361	1141	1242	11729	9409
USC COOP ARRESTS	44	61	73	46	45	56	659	497
TOTAL ARRESTS*	1561	421	411	1407	1186	1298	12388	9906
NCIC ARRESTS	26	26	38	29	24	23	337	264
TECS ARRESTS	6	20	23	7	11	18	210	138
TECS/NCIC ARRESTS*	32	44	61	36	35	41	547	402

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 86	MAY FY 86	JUNE FY 86	JULY FY 86	AUGUST FY 86	SEPTEMBER FY 86	FISCAL 86 TO DATE	CALENDAR 86 TO DATE
HEROIN SEIZURES QUANTITY SEIZED (LBS)	3 0.6	6 3.7	6 5.0	4 1.2	4 8.7	3 10.7	61 48.8	48 39.0
COCAINE SEIZURES QUANTITY SEIZED (LBS)	17 82.1	24 57.4	22 29.6	10 *	8 22.1	11 1.0	175 348.0	133 217.1
HASHISH SEIZURES QUANTITY SEIZED (LBS)	3 *	5 *	9 *	4 *	2 *	0 0		26 0.1
MARIJUANA SEIZURES QUANTITY SEIZED (LBS)	42 579.3	50 1084.6	29 463.8	32 0.3	27 484.1	45 1086.2	586 15574.6	383 11517.9
CPIUM SEIZUPES QUANTITY SEIZED (LBS)	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
MORPHINE SEIZURES QUANTITY SEIZED (LBS)	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
OTHER DRUG SEIZURES QUANTITY SEIZED (TB)	16 13276	25 803	15 1533	11 5702	15 1971	10 1127	177 97321	132 95638
TOTAL NARCOTIC SEIZURES	81	110	81	61	58	69	1029	722

U. S. CUSTOMS SERVICE ***

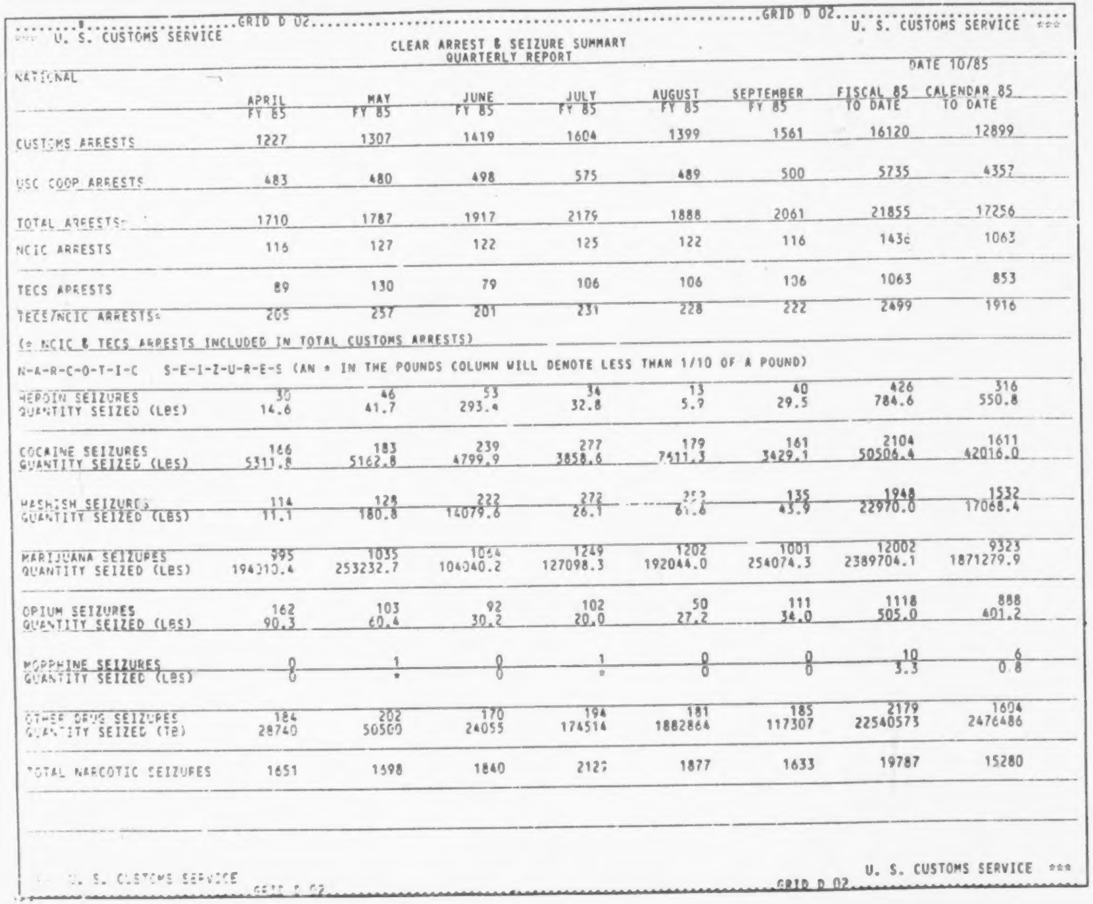
...................................GRID D 06...................................

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION PACIFIC DISTRICT SAN DIEGO, CA

DATE 10/86

	APRIL FY 86	MAY FY 86	JUNE FY 86	JULY FY 86	AUGUST FY 86	SEPTEMBER FY 86	FISCAL 86 TO DATE	CALENDAR 86 TO DATE
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S								
PROHIBITED NON-NARCOTIC SEIZURES	41	56	139	117	53	38	707	582
VEHICLE SEIZURES	130	151	145	142	123	148	1666	1221
QUANTITY SEIZED	131	151	145	142	123	148	1673	1227
DOMESTIC VALUE	641279	645015	647326	539127	385970	644577	6819748	5243989
AIRCRAFT SEIZURES	0	0	0	0	1	0	3	2
QUANTITY SEIZED	0	0	0	0	1	0	3	2
DOMESTIC VALUE	0	0	0	0	37900	0	102900	72900
VESSEL SEIZURES	0	1	0	0	0	0	2	1
QUANTITY SEIZED	0	1	0	0	0	0	2	1
DOMESTIC VALUE	0	800	0	0	0	0	1300	800
MONETARY SEIZURES	0	10	9	10	5	8	85	71
DOMESTIC VALUE	0	402677	186255	650717	98145	114327	3796608	2626219
GEN MDSE SEIZURES	208	210	255	273	272	300	3130	2201
DOMESTIC VALUE	136381	205131	2897918	88673	76693	132677	5236084	4081317
TOTAL NON-NARCOTIC SEIZURES	379	428	548	542	454	494	5593	4078
DOMESTIC VALUE	777660	1253623	3731500	1278517	598708	891581	15956640	12025225
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	460	538	629	603	512	563	6622	4800
TOTAL CF151 SEIZURE INCIDENTS	366	395	522	511	433	459	5426	3910



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........*.................GRID D 02...............................................GRID D 02...........................
*** U. S. CUSTOMS SERVICE                                                                   U. S. CUSTOMS SERVICE ***
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CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

DATE 10/85

NATIONAL

	APRIL FY 85	MAY FY 85	JUNE FY 85	JULY FY 85	AUGUST FY 85	SEPTEMBER FY 85	FISCAL 85 TO DATE	CALENDAR 85 TO DATE
CUSTOMS ARRESTS	1227	1307	1419	1604	1399	1561	16120	12899
USC COOP ARRESTS	483	480	498	575	489	500	5735	4357
TOTAL ARRESTS*	1710	1787	1917	2179	1888	2061	21855	17256
NCIC ARRESTS	116	127	122	125	122	116	1436	1063
TECS ARRESTS	89	130	79	106	106	106	1063	853
TECS/NCIC ARRESTS*	205	257	201	231	228	222	2499	1916

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 85	MAY FY 85	JUNE FY 85	JULY FY 85	AUGUST FY 85	SEPTEMBER FY 85	FISCAL 85 TO DATE	CALENDAR 85 TO DATE
HEROIN SEIZURES	30	46	53	34	13	40	426	316
QUANTITY SEIZED (LBS)	14.6	41.7	293.4	32.8	5.9	29.5	784.6	550.8
COCAINE SEIZURES	166	183	239	277	179	161	2104	1611
QUANTITY SEIZED (LBS)	5311.8	5162.8	4799.9	3858.6	7411.3	3429.1	50506.4	42016.0
HASHISH SEIZURES	114	128	222	272	252	135	1948	1532
QUANTITY SEIZED (LBS)	11.1	180.8	14079.6	26.1	61.6	43.9	22970.0	17068.4
MARIJUANA SEIZURES	995	1035	1064	1249	1202	1001	12002	9323
QUANTITY SEIZED (LBS)	194310.4	253232.7	104040.2	127098.3	192044.0	254074.3	2389704.1	1871279.9
OPIUM SEIZURES	162	103	92	102	50	111	1118	888
QUANTITY SEIZED (LBS)	90.3	60.4	30.2	20.0	27.2	34.0	505.0	401.2
MORPHINE SEIZURES	0	1	0	1	0	0	10	6
QUANTITY SEIZED (LBS)	0	*	0	*	0	0	3.3	0.8
OTHER DRUG SEIZURES	184	202	170	194	181	185	2179	1604
QUANTITY SEIZED (TB)	28740	50500	24055	174514	1882864	117307	22540573	2476486
TOTAL NARCOTIC SEIZURES	1651	1598	1840	2129	1877	1633	19787	15280

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*** U. S. CUSTOMS SERVICE                                                                   U. S. CUSTOMS SERVICE ***
.........................GRID D 02...............................................GRID D 02...........................
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*** U. S. CUSTOMS SERVICE ....GRID E 02..........GRID E 02.......... U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

DATE 10785

NATIONAL

	APRIL FY 85	MAY FY 85	JUNE FY 85	JULY FY 85	AUGUST FY 85	SEPTEMBER FY 85	FISCAL 85 TO DATE	CALENDAR 85 TO DATE
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S								
PROHIBITED NON-NARCOTIC SEIZURES	1443	1139	1260	1593	1399	1252	15849	11980
VEHICLE SEIZURES	766	787	820	957	1038	962	9323	7168
QUANTITY SEIZED	858	862	912	1048	1114	2113	11224	8925
DOMESTIC VALUE	8913965	8541113	6878309	7563167	8255690	7492133	80666094	64758393
AIRCRAFT SEIZURES	9	18	11	14	12	9	145	101
QUANTITY SEIZED	13	20	11	17	12	9	155	110
DOMESTIC VALUE	522500	1104700	907996	1394666	36170000	1635000	150448420	148334042
VESSEL SEIZURES	50	45	54	75	60	33	524	403
QUANTITY SEIZED	56	46	35	107	60	33	570	448
DOMESTIC VALUE	9184000	15830800	2268199	3019343	1028460	507300	41226619	36146022
MONETARY SEIZURES	73	131	99	98	82	101	1114	874
DOMESTIC VALUE	5366576	8720050	7877166	7177943	6076358	7465052	95838434	84265910
GEN MDSE SEIZURES	2027	2169	2243	2644	2685	2474	32679	20944
DOMESTIC VALUE	15180046	19503447	39535535	18372281	41079446	19264145	277339278	230831558
TOTAL NON-NARCOTIC SEIZURES	4368	4289	4567	5381	5276	4831	59634	41470
DOMESTIC VALUE	39169088	53700110	57467205	37527400	92609954	36363630	645518845	564335925
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	6019	5987	6407	7510	7153	6464	79421	56750
TOTAL CF151 SEIZURE INCIDENTS	5452	5354	5594	6478	6272	5877	71526	50613

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION SOUTHWEST

DATE 10/85

	APRIL FY 85	MAY FY 85	JUNE FY 85	JULY FY 85	AUGUST FY 85	SEPTEMBER FY 85	FISCAL 85 TO DATE	CALENDAR 85 TO DATE
CUSTOMS ARRESTS	314	249	414	413	336	374	4242	3096
LEC COOP ARRESTS	123	120	135	136	101	107	1440	1046
TOTAL ARRESTS*	437	369	549	549	437	481	5682	4142
NCIC ARRESTS	40	42	45	39	39	41	481	345
TECS ARRESTS	34	20	22	24	21	29	286	215
TECS/NCIC ARRESTS*	74	62	67	63	60	70	767	560

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 85	MAY FY 85	JUNE FY 85	JULY FY 85	AUGUST FY 85	SEPTEMBER FY 85	FISCAL 85 TO DATE	CALENDAR 85 TO DATE
HEROIN SEIZURES	3	5	3	2	2	3	44	33
QUANTITY SEIZED (LBS)	*	1.0	0.2	0.6	0.8	*	21.4	17.5
COCAINE SEIZURES	13	18	21	21	16	17	209	156
QUANTITY SEIZED (LBS)	3.1	29.[illegible]	942.8	13.3	142.8	818.7	2938.1	2022.1
HASHISH SEIZURES	3	7	12	42	35	20	170	144
QUANTITY SEIZED (LBS)	*	0.7	3.0	0.5	26.4	1.2	179.3	178.9
MARIJUANA SEIZURES	183	198	221	214	223	178	2508	1850
QUANTITY SEIZED (LBS)	21188.4	6344.1	6364.9	4029.4	4397.7	2680.4	118121.3	83934.6
OPIUM SEIZURES	0	0	0	0	0	1	2	2
QUANTITY SEIZED (LBS)	0	0	0	0	0	*	*	*
MORPHINE SEIZURES	0	0	0	0	0	0	1	1
QUANTITY SEIZED (LBS)	0	0	0	0	0	0	0.3	0.3
OTHER DRUG SEIZURES	55	55	43	52	47	50	614	430
QUANTITY SEIZED (TB)	15593	29826	6233	17814	8170	7364	1256054	100691
TOTAL NARCOTIC SEIZURES	252	278	302	331	323	269	3550	2626

U. S. CUSTOMS SERVICE ....GRID K 01..........GRID K 01.......... U. S. CUSTOMS SERVICE

CLEAR ARREST & SEIZURE SUMMARY
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REGION SOUTHWEST

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NON- NARCOTIC SEIZURES	APRIL FY 85	MAY FY 85	JUNE FY 85	JULY FY 85	AUGUST FY 85	SEPTEMBER FY 85	FISCAL 85 TO DATE	CALENDAR 85 TO DATE
PROHIBITED NON-NARCOTIC SEIZURES	147	129	202	188	256	173	1889	1519
VEHICLE SEIZURES	177	167	190	164	198	185	2218	1623
QUANTITY SEIZED	178	179	190	178	205	199	2284	1678
DOMESTIC VALUE	554681	1542229	491396	504943	1391946	1189870	10113530	8144916
AIRCRAFT SEIZURES	2	5	2	4	4	3	35	29
QUANTITY SEIZED	2	7	2	5	4	3	39	32
DOMESTIC VALUE	134000	543200	49000	644800	222000	932000	3749500	3077000
VESSEL SEIZURES	1	0	2	0	0	0	4	4
QUANTITY SEIZED	1	0	2	0	0	0	4	4
DOMESTIC VALUE	10000	0	401000	0	0	0	441000	441000
MONETARY SEIZURES	5	24	21	22	23	25	264	205
DOMESTIC VALUE	94549	743874	809652	535969	511458	566418	14151721	12595582
GEN MDSE SEIZURES	320	342	394	484	458	408	4988	3633
DOMESTIC VALUE	1048222	1608098	1703421	1997872	958409	2595687	20302926	14552922
TOTAL NON-NARCOTIC SEIZURES	652	687	811	862	939	794	9398	7013
DOMESTIC VALUE	1841452	4537401	3454469	3683584	3083813	5283975	48758677	38811420
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	904	985	1113	1193	1262	1063	12948	9639
TOTAL TECS1 SEIZURE INCIDENTS	776	812	945	1042	1120	921	11201	8327

*** U. S. CUSTOMS SERVICE ....GRID D 06..........GRID D 06.......... U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION PACIFIC DISTRICT SAN DIEGO, CA

DATE 10/85

	APRIL FY 85	MAY FY 85	JUNE FY 85	JULY FY 85	AUGUST FY 85	SEPTEMBER FY 85	FISCAL 85 TO DATE	CALENDAR 85 TO DATE
CUSTOMS ARRESTS	609	725	722	852	726	837	7871	6866
USC COOP ARRESTS	48	53	60	54	47	55	618	468
TOTAL ARRESTS*	657	778	782	906	773	892	8489	7334
NCIC ARRESTS	24	29	30	25	23	25	308	234
TECS ARRESTS	17	13	15	17	17	19	185	142
TECS/NCIC ARRESTS*	41	42	45	42	40	44	493	376

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 85	MAY FY 85	JUNE FY 85	JULY FY 85	AUGUST FY 85	SEPTEMBER FY 85	FISCAL 85 TO DATE	CALENDAR 85 TO DATE
HEROIN SEIZURES	1	5	7	9	4	5	48	37
QUANTITY SEIZED (LBS)	*	2.1	4.2	6.0	0.3	0.2	45.6	17.3
COCAINE SEIZURES	13	14	16	8	6	21	141	107
QUANTITY SEIZED (LBS)	*	*	60.4	*	*	0.5	194.0	97.4
HASHISH SEIZURES	1	1	0	3	2	2	17	13
QUANTITY SEIZED (LBS)	*	*	0	0.2	*	*	0.3	0.3
MARIJUANA SEIZURES	93	65	76	77	77	66	897	660
QUANTITY SEIZED (LBS)	890.7	2392.3	1337.9	1343.6	1057.8	1129.6	75063.4	72994.1
OPIUM SEIZURES	0	1	0	0	0	0	2	1
QUANTITY SEIZED (LBS)	0	*	0	0	0	0	*	*
MORPHINE SEIZURES	0	0	0	0	0	0	0	0
QUANTITY SEIZED (LBS)	0	0	0	0	0	0	0	0
OTHER DRUG SEIZURES	12	16	11	21	17	15	174	134
QUANTITY SEIZED (TB)	645	762	316	367	686	874	7097	5357
TOTAL NARCOTIC SEIZURES	120	102	110	118	106	109	1279	952

..........GRID D 06.......... U. S. CUSTOMS SERVICE ***

*** U. S. CUSTOMS SERVICE ....GRID E 06........GRID E 06........ U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

DATE 10/85

REGION PACIFIC   DISTRICT SAN DIEGO, CA

	APRIL FY 85	MAY FY 85	JUNE FY 85	JULY FY 85	AUGUST FY 85	SEPTEMBER FY 85	FISCAL 85 TO DATE	CALENDAR 85 TO DATE
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S								
PROHIBITED NON-NARCOTIC SEIZURES	48	60	135	89	65	48	756	595
VEHICLE SEIZURES	160	136	130	167	158	155	1854	1308
QUANTITY SEIZED	160	137	154	168	164	155	1923	1371
DOMESTIC VALUE	470051	504290	519497	670554	548095	691715	7855762	5553103
AIRCRAFT SEIZURES	0	3	0	0	0	1	7	6
QUANTITY SEIZED	0	3	0	0	0	1	7	6
DOMESTIC VALUE	0	405000	0	0	0	10000	615000	615000
VESSEL SEIZURES	0	1	1	0	0	0	3	2
QUANTITY SEIZED	0	1	1	0	0	0	3	2
DOMESTIC VALUE	0	3000000	88500	0	0	0	3145500	3088500
MONETARY SEIZURES	8	5	8	6	1	7	62	54
DOMESTIC VALUE	1953089	1034673	1335785	102489	7900	96092	5494208	5386758
GEN MDSE SEIZURES	210	211	190	269	281	235	3175	2155
DOMESTIC VALUE	240554	1412342	1570856	347988	229192	168925	12316306	11569892
TOTAL NON-NARCOTIC SEIZURES	426	416	464	531	505	446	5857	4120
DOMESTIC VALUE	2663694	6356305	3514638	1121031	785187	966732	29426776	26213253
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	546	516	574	649	611	555	7136	5072
TOTAL CF151 SEIZURE INCIDENTS	458	433	475	541	520	463	6037	4286

*** U. S. CUSTOMS SERVICE ....GRID E 06........GRID E 06........ U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

NATIONAL

DATE 10/84

	APRIL FY 84	MAY FY 84	JUNE FY 84	JULY FY 84	AUGUST FY 84	SEPTEMBER FY 84	FISCAL 84 TO DATE	CALENDAR 84 TO DATE
CUSTOMS ARRESTS	1519	1832	1361	1485	1508	1046	18756	14260
USC COOP ARRESTS	461	500	517	450	560	503	5479	4337
TOTAL ARRESTS*	1980	2332	1878	1935	2068	1549	24235	18597
NCIC ARRESTS	153	142	148	106	167	144	1662	1276
TECS ARRESTS	72	92	85	66	97	84	936	733
TECS/NCIC ARRESTS*	225	234	233	172	264	228	2598	2009

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 84	MAY FY 84	JUNE FY 84	JULY FY 84	AUGUST FY 84	SEPTEMBER FY 84	FISCAL 84 TO DATE	CALENDAR 84 TO DATE
HEROIN SEIZURES	47	37	33	36	43	29	396	318
QUANTITY SEIZED (LBS)	152.9	50.1	54.0	17.2	33.4	39.2	664.3	500.7
COCAINE SEIZURES	125	151	163	142	186	148	1625	1250
QUANTITY SEIZED (LBS)	3018.8	1217.5	5194.2	2984.2	5268.9	259.3	27525.8	23668.9
HASHISH SEIZURES	90	122	122	198	246	162	1530	1238
QUANTITY SEIZED (LBS)	57.5	40.0	181.2	12198.1	91.8	61.1	42389.5	14134.6
MARIJUANA SEIZURES	919	1032	1119	1244	1316	1074	12304	9655
QUANTITY SEIZED (LBS)	233070.1	320319.5	177067.3	161151.2	327050.3	104195.9	3274927.2	2410102.6
OPIUM SEIZURES	46	55	59	37	57	72	429	400
QUANTITY SEIZED (LBS)	29.5	41.3	36.7	33.3	28.2	36.2	258.0	244.2
MORPHINE SEIZURES	5	2	0	1	0	1	156	82
QUANTITY SEIZED (LBS)	0.4	*	0	*	0	*	12.6	8.8
OTHER DRUG SEIZURES	206	238	258	294	246	207	2627	2085
QUANTITY SEIZED (TB)	1773820	29402	401549	147177	757775	751953	6819717	4209046
TOTAL NARCOTIC SEIZURES	1438	1637	1754	1952	2094	1693	19067	15028

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

DATE 10/84

NATIONAL

N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S

	APRIL FY 84	MAY FY 84	JUNE FY 84	JULY FY 84	AUGUST FY 84	SEPTEMBER FY 84	FISCAL 84 TO DATE	CALENDAR 84 TO DATE
PROHIBITED NON-NARCOTIC SEIZURES	1921	1440	1582	1855	1956	1521	2C225	15635
VEHICLE SEIZURES	696	837	922	1035	1042	885	9347	7425
QUANTITY SEIZED	737	899	966	1091	1104	928	9879	7854
DOMESTIC VALUE	5087901	5475222	6173805	6771913	7350636	5721890	62953753	5C652122
AIRCRAFT SEIZURES	14	7	17	7	11	8	157	104
QUANTITY SEIZED	14	7	17	7	12	8	206	110
DOMESTIC VALUE	35732000	783344	3437907	335546	723322	143000	50327176	43906632
VESSEL SEIZURES	34	27	47	41	42	44	558	396
QUANTITY SEIZED	36	33	50	41	44	47	582	416
DOMESTIC VALUE	1442149	9157319	5125484	1742325	8994400	2764982	49255944	41999901
MONETARY SEIZURES	165	185	194	188	248	191	2088	1644
DOMESTIC VALUE	4790656	6328767	3425037	4605110	4685716	4227688	57734486	44740264
GEN MDSE SEIZURES	2854	2639	2514	3134	3220	2441	33334	25099
DOMESTIC VALUE	18218439	23150592	16727510	20670242	35707421	11854355	348796395	286604716
TOTAL NON-NARCOTIC SEIZURES	5684	5135	5276	6260	6519	5090	65709	50303
DOMESTIC VALUE	65271145	44895244	34889743	34125136	57461495	24713945	579067754	467903635
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	7122	6772	7030	8212	8615	6783	84776	65331
TOTAL CF151 SEIZURE INCIDENTS	6484	6005	6136	7178	7827	6107	75714	58191

........8....................GRID J 01..........................GRID J 01... U. S. CUSTOMS SERVICE ***

*** U. S. CUSTOMS SERVICE

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

DATE 10/84

REGION SOUTHWEST

	APRIL FY 84	MAY FY 84	JUNE FY 84	JULY FY 84	AUGUST FY 84	SEPTEMBER Y 84	FISCAL 84 TO DATE	CALENDAR 84 TO DATE
CUSTOMS ARRESTS	385	559	283	372	364	367	5476	3819
USC COCP ARRESTS	115	130	149	104	132	111	1507	1158
TOTAL ARRESTS*	500	689	432	476	496	478	6983	4977
NCIC ARRESTS	45	57	61	33	56	46	590	427
TECS ARRESTS	33	27	19	22	27	24	293	231
TECS/NCIC ARRESTS*	78	84	80	55	83	70	883	658

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 84	MAY FY 84	JUNE FY 84	JULY FY 84	AUGUST FY 84	SEPTEMBER Y 84	FISCAL 84 TO DATE	CALENDAR 84 TO DATE
HEROIN SEIZURES	7	4	10	0	6	3	47	38
QUANTITY SEIZED (LBS)	6.2	4.5	3.0	0	5.4	0.1	44.1	36.2
COCAINE SEIZURES	26	17	26	14	23	14	193	164
QUANTITY SEIZED (LBS)	1.7	152.2	237.7	31.2	2675.0	0.2	3610.9	3509.0
HASHISH SEIZURES	5	14	6	4	12	6	107	82
QUANTITY SEIZED (LBS)	0.4	0.5	0.1	0.2	0.4	0.3	7.7	7.4
MARIJUANA SEIZURES	177	209	190	186	218	162	2253	1761
QUANTITY SEIZED (LBS)	1911.0	9100.4	3532.0	40744.9	6168.8	2386.1	181173.5	156614.1
OPIUM SEIZURES	0	0	0	0	1	0	1	1
QUANTITY SEIZED (LBS)	0	0	0	0	0.2	0	0.2	0.2
MORPHINE SEIZURES	1	1	0	0	0	0	3	2
QUANTITY SEIZED (LBS)	*	*	0	0	0	0	*	*
OTHER DRUG SEIZURES	42	49	21	55	37	54	477	376
QUANTITY SEIZED (TB)	1692810	19933	1474	57135	3172	731035	4503495	2805254
TOTAL NARCOTIC SEIZURES	258	285	253	259	297	239	3081	2424

*** U. S. CUSTOMS SERVICE ....GRID J 01....GRID J 01.... U. S. CUSTOMS SERVICE ***

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........*.....................GRID K 01.........................................................GRID K 01..........................
*** U. S. CUSTOMS SERVICE                                                                                U. S. CUSTOMS SERVICE ***
                                                    CLEAR ARREST & SEIZURE SUMMARY
                                                          QUARTERLY REPORT
REGION SOUTHWEST                                                                                         DATE 10/84

                              APRIL       MAY        JUNE       JULY      AUGUST   SEPTEMB.R   FISCAL 84  CALENDAR 84
                              FY 84      FY 84      FY 84      FY 84      FY 84      FY 84      TO DATE    TO DATE

N-O-N   N-A-R-C-O-T-I-C   S-E-I-Z-U-R-E-S

PROHIBITED NON-
NARCOTIC SEIZURES               576        119        208        178        178        138        2956        2046

VEHICLE SEIZURES                144        323        196        186        198        185        2144        1623
QUANTITY SEIZED                 147        227        200        187        201        186        2192        1657
DOMESTIC VALUE               435709     783187     757002     806114     647105     587108     8209410     6238858

AIRCRAFT SEIZURES                 2          0          4          2          2          1          33          21
QUANTITY SEIZED                   2          0          4          2          2          1          38          26
DOMESTIC VALUE                29500          0    1877907      98985     106500      23000     5777342     2822142

VESSEL SEIZURES                   2          1          1          2          2          0          20 [illegible]
QUANTITY SEIZEC                   2          1          1          2          3          0          23          17
DOMESTIC VALUE               100449       3000    2500000      74000       7000          0     3444449 [illegible]

MONETARY SEIZURES                24         33         26         24         36         42         326         251
DOMESTIC VALUE               511522    2377907     464612     337133     854788     666075    24686907    10934867

GEN MDSE SEIZURES               371        368        399        409        491        390        5383        3812
DOMESTIC VALUE              2452274    1793688     905377    2909161     910496     952545    19708578    13511308

TOTAL NON-
NARCOTIC SEIZURES              1119        744        834        801        907        756       10862        7767
DOMESTIC VALUE              3569454    5157782    6504898    4225393    2525859    2228728    61826686    36373324

TOTAL NARCOTIC & NON-
NARCOTIC SEIZURES              1377       1029       1087       1060       1204        995       13943       10191

TOTAL CF151
SEIZURE INCIDENTS              1259        886        947        784       1078        828       12224        8908

*** U. S. CUSTOMS SERVICE                                                                                U. S. CUSTOMS SERVICE ***
..............................GRID K 01.........................................................GRID K 01..........................
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GRID D 06 GRID D 06

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION PACIFIC DISTRICT SAN DIEGO, CA

DATE 10/84

	APRIL FY 84	MAY FY 84	JUNE FY 84	JULY FY 84	AUGUST FY 84	SEPTEMBER FY 84	FISCAL 84 TO DATE	CALENDAR 84 TO DATE
CUSTOMS ARRESTS	802	904	690	833	785	369	9017	7197
USC COOP ARRESTS	61	53	55	51	53	53	598	501
TOTAL ARRESTS*	863	957	745	884	838	422	9615	7698
NCIC ARRESTS	39	16	25	28	33	20	105	254
TECS ARRESTS	10	18	15	11	15	25	172	145
TECS/NCIC ARRESTS*	49	34	40	39	48	45	477	399

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 84	MAY FY 84	JUNE FY 84	JULY FY 84	AUGUST FY 84	SEPTEMBER FY 84	FISCAL 84 TO DATE	CALENDAR 84 TO DATE
HEROIN SEIZURES QUANTITY SEIZED (LBS)	8 2.7	8 1.4	11 2.2	13 4.7	8 2.0	6 1.0	77 22.3	70 20.7
COCAINE SEIZURES QUANTITY SEIZED (LBS)	19 *	28 1.8	22 5.3	14 *	13 0.4	18 0.4	201 30.4	161 14.2
HASHISH SEIZURES QUANTITY SEIZED (LBS)	2 *	3 *	1 *	1 *	0 0	1 *	15 0.2	11 *
MARIJUANA SEIZURES QUANTITY SEIZED (LBS)	124 885.5	119 860.5	99 458.8	124 646.1	99 536.1	90 757.5	1277 34743.3	1006 5296.1
OPIUM SEIZURES QUANTITY SEIZED (LBS)	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
MORPHINE SEIZURES QUANTITY SEIZED (LBS)	0 0	0 0	0 0	0 0	0 0	0	0 0	0 0
OTHER DRUG SEIZURES QUANTITY SEIZED (TB)	46 1422	41 1972	45 1582	30 9268	27 1401	31 7247	467 871688	341 27439
TOTAL NARCOTIC SEIZURES	199	199	178	182	147	146	1977	1589

U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

GRID D 06 GRID D 06

.........*.....................GRID E 06...GRID E 06................................

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION PACIFIC DISTRICT SAN DIEGO, CA

DATE 10/84

	APRIL FY 84	MAY FY 84	JUNE FY 84	JULY FY 84	AUGUST FY 84	SEPTEMBER FY 84	FISCAL 84 TO DATE	CALENDAR 84 TO DATE
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S								
PROHIBITED NON-NARCOTIC SEIZURES	127	111	161	171	89	63	1637	1179
VEHICLE SEIZURES	219	205	208	254	205	221	2491	1961
QUANTITY SEIZED	223	206	210	256	205	224	2530	1985
DOMESTIC VALUE	765436	718494	779135	911537	606835	884453	8307849	6979252
AIRCRAFT SEIZURES	0	0	1	0	0	0	4	1
QUANTITY SEIZED	0	0	1	0	0	0	4	1
DOMESTIC VALUE	0	0	25000	0	0	0	111000	25000
VESSEL SEIZURES	0	3	0	2	0	0	9	8
QUANTITY SEIZED	0	3	0	2	0	0	9	8
DOMESTIC VALUE	0	1390000	0	178500	0	0	1696500	1696500
MONETARY SEIZURES	6	2	2	9	7	16	65	53
DOMESTIC VALUE	151238	42733	59886	326964	152775	230296	1571847	1388825
GEN MDSE SEIZURES	526	521	412	495	469	383	6755	4651
DOMESTIC VALUE	163722	143649	140215	176117	132887	282023	2885763	2239942
TOTAL NON-NARCOTIC SEIZURES	878	842	784	931	770	683	10961	7853
DOMESTIC VALUE	1080398	2294876	1004236	1593118	892497	1396772	14522959	12329519
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	1077	1041	962	1113	917	829	12938	9442
TOTAL CF151 SEIZURE INCIDENTS	948	906	837	967	833	795	11308	8156

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

..........GRID E 06...GRID E 06..............

.........GRID D 02.................GRID D 02.................

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

NATIONAL

DATE 10/83

	APRIL FY 83	MAY FY 83	JUNE FY 83	JULY FY 83	AUGUST FY 83	SEPTEMBER FY 83	FISCAL 83 TO DATE	CALENDAR 83 TO DATE
CUSTOMS ARRESTS	1250	1210	1185	1116	1252	1244	13730	10960
USC COOP ARRESTS	447	456	422	444	419	409	5269	3883
TOTAL ARRESTS*	1697	1666	1607	1560	1671	1653	18999	14843
NCIC ARRESTS	119	124	113	146	129	121	1671	1203
TECS ARRESTS	59	48	44	45	38	59	649	465
TECS/NCIC ARRESTS*	178	172	157	191	167	190	2320	1668

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 83	MAY FY 83	JUNE FY 83	JULY FY 83	AUGUST FY 83	SEPTEMBER FY 83	FISCAL 83 TO DATE	CALENDAR 83 TO DATE
HEROIN SEIZURES	34	24	28	17	33	29	285	231
QUANTITY SEIZED (LBS)	129.4	55.6	88.0	20.2	12.4	64.1	593.6	471.3
COCAINE SEIZURES	204	181	132	158	150	173	1731	1349
QUANTITY SEIZED (LBS)	1136.0	2352.1	1282.8	1336.1	3841.0	2115.5	19601.5	16422.0
HASHISH SEIZURES	127	122	140	197	212	161	1829	1366
QUANTITY SEIZED (LBS)	70.9	29.3	249.8	14.2	14.7	76.7	2209.8	770.0
MARIJUANA SEIZURES	913	984	1069	1242	1362	1195	12101	9586
QUANTITY SEIZED (LBS)	157246.7	145562.0	452890.2	256637.0	168167.4	181972.3	2732974.5	1862088.6
OPIUM SEIZURES	11	8	7	5	21	21	103	87
QUANTITY SEIZED (LBS)	5.8	8.5	1.6	2.6	19.5	19.2	78.9	71.1
MORPHINE SEIZURES	33	32	11	17	26	4	199	164
QUANTITY SEIZED (LBS)	35.3	6.7	2.8	3.8	3.5	1.1	60.0	57.8
OTHER DRUG SEIZURES	230	250	251	301	334	299	2862	2251
QUANTITY SEIZED (TB)	656471	367231	982099	1353548	68165	635829	5592669	4759204
TOTAL NARCOTIC SEIZURES	1552	1601	1638	1937	2138	1882	19110	15034

** U. S. CUSTOMS SERVICE GRID D 02 ....GRID D 02 U. S. CUSTOMS SERVICE ***

*** U. S. CUSTOMS SERVICE ....GRID E 02.......GRID E 02....... U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

NATIONAL DATE 10/83

	APRIL FY 83	MAY FY 83	JUNE FY 83	JULY FY 83	AUGUST FY 83	SEPTEMBER FY 83	FISCAL 83 TO DATE	CALENDAR 83 TO DATE
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S								
PROHIBITED NON-NARCOTIC SEIZURES	1762	2320	2868	3194	2567	1918	25870	20567
VEHICLE SEIZURES	707	776	777	892	1006	866	9481	7255
QUANTITY SEIZED	765	826	831	1023	1095	946	10194	7833
DOMESTIC VALUE	4963037	5056175	5161740	5312346	6999986	7147755	63911945	49146520
AIRCRAFT SEIZURES	17	17	6	11	10	9	203	130
QUANTITY SEIZED	17	17	6	11	15	9	211	136
DOMESTIC VALUE	310800	684212	446114	714167	2435375	1945000	19104322	14011451
VESSEL SEIZURES	29	23	43	39	41	32	405	302
QUANTITY SEIZED	29	26	45	39	41	32	418	310
DOMESTIC VALUE	2028469	1087300	3600550	709222	1905800	1527360	33209335	23827057
MONETARY SEIZURES	158	175	158	148	190	200	2066	1525
DOMESTIC VALUE	2928239	7943362	3550347	3126157	4607333	4039728	50173822	35542465
GEN MDSE SEIZURES	3466	2925	3031	3651	3323	3536	36972	27663
DOMESTIC VALUE	5200426	11045115	12610288	12525052	34624927	10752945	142823959	113380942
TOTAL NON-NARCOTIC SEIZURES	6139	6236	6883	7935	7127	6561	74997	57442
DOMESTIC VALUE	15430971	25816164	25369039	22386944	50573421	25412728	309223383	235908435
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	7691	7837	8521	9872	9265	8443	94107	72476
TOTAL CF151 SEIZURE INCIDENTS	6962	6930	7802	9074	8473	6892	84434	64796

---- E 02 U. S. CUSTOMS SERVICE ***

*** U. S. CUSTOMS SERVICE ....GRID J 01........GRID J 01........ U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION SOUTHWEST DATE 10/83

	APRIL FY 83	MAY FY 83	JUNE FY 83	JULY FY 83	AUGUST FY 83	SEPTEMBER FY 83	FISCAL 83 TO DATE	CALENDAR 83 TO DATE
CUSTOMS ARRESTS	399	398	340	337	318	410	3983	3233
USC COOP ARRESTS	164	130	129	136	100	120	1451	1124
TOTAL ARRESTS*	563	528	469	473	418	530	5434	4357
NCIC ARRESTS	39	49	38	61	40	56	582	423
TECS ARRESTS	18	18	12	18	13	24	180	135
TECS/NCIC ARRESTS*	57	67	50	79	53	80	762	558

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 CF A POUND)

	APRIL FY 83	MAY FY 83	JUNE FY 83	JULY FY 83	AUGUST FY 83	SEPTEMBER FY 83	FISCAL 83 TO DATE	CALENDAR 83 TO DATE
HEROIN SEIZURES	4	4	9	0	6	3	47	35
QUANTITY SEIZED (LBS)	0.7	0.8	63.4	0	3.6	1.3	91.1	70.6
COCAINE SEIZURES	8	23	5	10	8	14	136	98
QUANTITY SEIZED (LBS)	4.2	2.7	*	532.0	2.0	18.8	628.8	589.1
HASHISH SEIZURES	27	30	16	37	12	14	372	250
QUANTITY SEIZED (LBS)	24.8	0.4	*	0.2	0.2	0.6	28.8	27.2
MARIJUANA SEIZURES	177	197	125	136	126	128	2067	1535
QUANTITY SEIZED (LBS)	4164.0	8593.9	9163.4	16843.5	2305.8	1720.0	130262.3	95554.0
OPIUM SEIZURES	0	0	0	2	1	1	5	5
QUANTITY SEIZED (LBS)	0	0	0	1.9	0.7	*	2.6	2.6
MORPHINE SEIZURES	1	0	0	0	1	0	2	2
QUANTITY SEIZED (LBS)	23.6	0	0	0	0.1	0	23.7	23.7
OTHER DRUG SEIZURES	65	48	47	36	36	33	493	360
QUANTITY SEIZED (TB)	380768	342054	961637	1336160	3168	545584	4530577	3808488
TOTAL NARCOTIC SEIZURES	282	302	242	221	190	193	3122	2285

*** U. S. CUSTOMS SERVICE ....GRID J 01........GRID J 01........ U. S. CUSTOMS SERVICE ***

*** U. S. CUSTOMS SERVICE ....GRID K 01........GRID K 01.... U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

DATE 10/83

REGION SOUTHWEST

N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S	APRIL FY 83	MAY FY 83	JUNE FY 83	JULY FY 83	AUGUST FY 83	SEPTEMBER FY 83	FISCAL 83 TO DATE	CALENDAR 83 TO DATE
PROHIBITED NON-NARCOTIC SEIZURES	471	627	583	635	617	469	5630	4670
VEHICLE SEIZURES	190	225	172	147	138	179	2275	1658
QUANTITY SEIZED	216	231	181	181	140	179	2387	1757
DOMESTIC VALUE	1374641	1115323	882177	901980	601695	615371	10630204	8397747
AIRCRAFT SEIZURES	4	3	3	4	1	1	43	28
QUANTITY SEIZED	4	3	3	4	1	1	43	28
DOMESTIC VALUE	149800	225000	155714	265000	146375	900000	2926665	2331239
VESSEL SEIZURES	0	0	0	0	0	0	5	2
QUANTITY SEIZED	0	0	0	0	0	0	5	2
DOMESTIC VALUE	0	0	0	0	0	0	8500	2700
MONETARY SEIZURES	19	25	30	20	19	35	268	212
DOMESTIC VALUE	656645	319939	759133	429385	281758	459575	5370439	4503623
GEN MDSE SEIZURES	585	563	560	541	564	475	7109	5013
DOMESTIC VALUE	314429	603277	296191	827146	1024714	924865	13374141	8774550
TOTAL NON-NARCOTIC SEIZURES	1269	1443	1348	1347	1339	1159	15330	11583
DOMESTIC VALUE	2495515	2263539	2093215	2423511	2054542	2899811	32309949	24009859
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	1551	1745	1590	1568	1529	1352	18452	13868
TOTAL CF151 SEIZURE INCIDENTS	1390	1557	1453	1448	1449	1240	16712	12603

*** U. S. CUSTOMS SERVICE ....GRID K 01........ U. S. CUSTOMS SERVICE ***

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*** U. S. CUSTOMS SERVICE ........GRID C 06.......................GRID D 06.... U. S. CUSTOMS SERVICE ***
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CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION PACIFIC DISTRICT SAN DIEGO, CA DATE 10/83

	APRIL FY 83	MAY FY 83	JUNE FY 83	JULY FY 83	AUGUST FY 83	SEPTEMBER FY 83	FISCAL 83 TO DATE	CALENDAR 83 TO DATE
CUSTOMS ARRESTS	605	523	495	484	590	486	6030	4879
USC COOP ARRESTS	27	32	31	24	17	33	596	375
TOTAL ARRESTS*	632	555	526	508	607	519	6626	5254
NCIC ARRESTS	12	15	14	10	8	16	334	215
TECS ARRESTS	8	4	5	6	2	3	126	64
TECS/NCIC ARRESTS*	20	19	19	16	10	19	460	279
(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)								
N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)								
HEROIN SEIZURES	1	2	3	2	2	2	33	20
QUANTITY SEIZED (LBS)	0.1	2.9	0.9	0.5	*	2.4	12.3	8.2
COCAINE SEIZURES	7	18	14	14	12	16	138	105
QUANTITY SEIZED (LBS)	*	*	*	*	16.1	*	25.1	24.0
HASHISH SEIZURES	3	1	1	2	1	1	34	18
QUANTITY SEIZED (LBS)	*	*	*	*		*	0.8	0.3
MARIJUANA SEIZURES	95	94	99	79	71	83	1218	908
QUANTITY SEIZED (LBS)	537.3	1514.7	7510.3	6939.4	139.2	72.2	31181.8	21592.2
OPIUM SEIZURES	1	0	0	0	0	1	3	3
QUANTITY SEIZED (LBS)	*	0	0	0	0	*	0.3	0.3
MORPHINE SEIZURES	0	0	0	0	0	0	1	1
QUANTITY SEIZED (LBS)	0	0	0	0	0	0	*	*
OTHER DRUG SEIZURES	21	42	28	31	21	27	393	296
QUANTITY SEIZED (TB)	28529	17886	1010	1029	2109	3863	68451	63530
TOTAL NARCOTIC SEIZURES	128	157	145	128	107	130	1820	1351

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U. S. CUSTOMS SERVICE                                GRID D 04 ........ U. S. CUSTOMS SERVICE ***
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GRID E 06 GRID E 06

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION PACIFIC DISTRICT SAN DIEGO, CA

DATE 10/83

	APRIL FY 83	MAY FY 83	JUNE FY 83	JULY FY 83	AUGUST FY 83	SEPTEMBER FY 83	FISCAL 83 TO DATE	CALENDAR 83 TO DATE
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S								
PROHIBITED NON-NARCOTIC SEIZURES	216	267	383	496	239	151	2468	2293
VEHICLE SEIZURES	222	208	196	232	169	161	2665	2002
QUANTITY SEIZED	225	214	199	235	169	169	2705	2034
DOMESTIC VALUE	628639	683811	760926	692795	42[illegible]76	409260	8266583	6095089
AIRCRAFT SEIZURES	0	1	0	0	0	0	5	3
QUANTITY SEIZED	0	1	0	0	0	0	5	3
DOMESTIC VALUE	0	26500	0	0	0	0	1198500	150500
VESSEL SEIZURES	0	0	2	0	1	0	11	6
QUANTITY SEIZED	0	0	2	0	1	0	11	6
DOMESTIC VALUE	0	0	500800	0	250000	0	2939190	1987190
MONETARY SEIZURES	8	3	4	5	4	8	79	48
DOMESTIC VALUE	63915	23331	39941	932698	93356	91356	3373512	1712233
GEN MDSE SEIZURES	792	819	1067	896	658	589	9053	6965
DOMESTIC VALUE	188282	209008	210027	194794	790899	448780	3986476	2533552
TOTAL NON-NARCOTIC SEIZURES	1232	1298	1652	1625	1051	909	14481	11247
DOMESTIC VALUE	860836	942730	1511694	1820287	1563531	949436	19664261	12478564
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	1368	1455	1797	1753	1158	1059	16561	12618
TOTAL CF151 SEIZURE INCIDENTS	1206	1309	1691	1625	1067	946	14689	11368

*** U. S. CUSTOMS SERVICE U. S. CUSTOMS SERVICE ***

GRID E 06 GRID E 06

U. S. CUSTOMS SERVICE GRID G 02 GRID G 02

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

NATIONAL

DATE 10/82

	APRIL FY 82	MAY FY 82	JUNE FY 82	JULY FY 82	AUGUST FY 82	SEPTEMBER FY 82	FISCAL 82 TO DATE	CALENDAR 82 TO DATE
CUSTOMS ARRESTS	977	948	938	1034	1063	928	11264	8594
USC COOP ARRESTS	469	521	406	574	566	537	5817	4404
TOTAL ARRESTS*	1446	1469	1344	1608	1629	1465	17081	13298
NCIC ARRESTS	179	191	170	167	172	157	2026	1525
TECS ARRESTS	93	73	75	77	82	58	930	721
TECS/NCIC ARRESTS*	272	264	245	244	254	215	2956	2246

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 82	MAY FY 82	JUNE FY 82	JULY FY 82	AUGUST FY 82	SEPTEMBER FY 82	FISCAL 82 TO DATE	CALENDAR 82 TO DATE
HEROIN SEIZURES	16	18	10	25	23	9	168	140
QUANTITY SEIZED (LBS)	35.4	19.1	1.8	2.1	11.6	12.5	289.9	276.1
COCAINE SEIZURES	113	136	141	168	147	127	1364	1070
QUANTITY SEIZED (LBS)	351.9	1788.0	1081.8	421.8	142.1	1462.0	11496.5	10026.1
HASHISH SEIZURES	196	187	239	278	319	215	2610	1971
QUANTITY SEIZED (LBS)	35.7	162.0	1144.1	83.4	28.6	99.2	58276.6	1751.0
MARIJUANA SEIZURES	[illegible]	1098	964	1142	1282	1007	11947	9213
QUANTITY SEIZED (LBS)	39[illegible]591.5	102471.1	467582.1	381683.2	244878.0	222700.4	3959870.9	3076341.5
OPIUM SEIZURES	71	15	4	9	24	9	265	209
QUANTITY SEIZED (LBS)	5.1	9.8	8.0	12.4	4.4	3.1	197.0	47.0
MORPHINE SEIZURES	4	62	13	51	19	13	165	164
QUANTITY SEIZED (LBS)	0.4	3.3	0.2	8.4	4.2	1.0	17.8	17.8
OTHER DRUG SEIZURES	269	255	273	279	320	280	3017	2344
QUANTITY SEIZED (TB)	361876	253389	75098	30858	581717	381196	2339360	2211174
TOTAL NARCOTIC SEIZURES	1656	1771	1644	1952	2134	1660	19536	15111

U. S. CUSTOMS SERVICE GRID G 02 GRID G 02

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****** U. S.   C U S T O M S GRID H 02  S E R V I C E ....................................GRID H 02 ......
                                              CLEAR ARREST & SEIZURE SUMMARY
                                                    QUARTERLY REPORT
NATIONAL                                                                                      DATE 10/82

                           APRIL      MAY       JUNE       JULY      AUGUST   SEPTEMBER  FISCAL 82  CALENDAR 82
                           FY 82     FY 82     FY 82      FY 82      FY 82      FY 82    TO DATE     TO DATE

N-O-N  N-A-R-C-O-T-I-C  S-E-I-Z-U-R-E-S

PROHIBITED NON-
NARCOTIC SEIZURES           1795      2264      2306       2572       2087       2396      23463       17905

VEHICLE SEIZURES             352       367       405        900       1013        914       5951        4930
QUANTITY SEIZED              370       376       427        964       1088        987       6431        5289
DOMESTIC VALUE           2231222   2039281   2523761    4726538    5906694    5714880   35935720    30617426

AIRCRAFT SEIZURES             18        18        16         15         15          9        206         138
QUANTITY SEIZED               18        18        16         16         15          9        207         139
DOMESTIC VALUE           2551500   6430485   3932000    1418000    2046616    1209500   34742505    20768684

VESSEL SEIZURES               43        40        36         41         39         33        500         377
QUANTITY SEIZED               44        40        36         45         40         34        523         395
DOMESTIC VALUE           1631683   5115901   2875975    4138608    3081700    1514870   44461893    30288233

MONETARY SEIZURES            160       199       133        149        149        173       1802        1338
DOMESTIC VALUE           2340019   3613064   2953604    3384354    3543819    3800370   32757121    25176558

GEN MDSE SEIZURES           1845      2089      2562       3113       2905       2567      27132       21183
DOMESTIC VALUE           8076682   8421208  10386415   12512602   12031408    5612477   92015268    77321990

TOTAL NON-
NARCOTIC SEIZURES           4213      4977      5458       6790       6208       6092      59054       45871
DOMESTIC VALUE          14830906  25817945  22674955   26180102   26610237   17852097  239912507   184168091

TOTAL NARCOTIC & NON-
NARCOTIC SEIZURES           5869      6748      7102       8742          2       7752      78590       60982

TOTAL CF151
SEIZURE INCID..TS           5391      6200      6533       7886       7424       7066      72238       56000




***** U. S.   C U S T O M S   S E R V I C E
.........................GRID H 02..........
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*** U. S. CUSTOMS SERVICE GRID L 01 GRID L 01 *** ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION HOUSTON,TX DATE 10/82

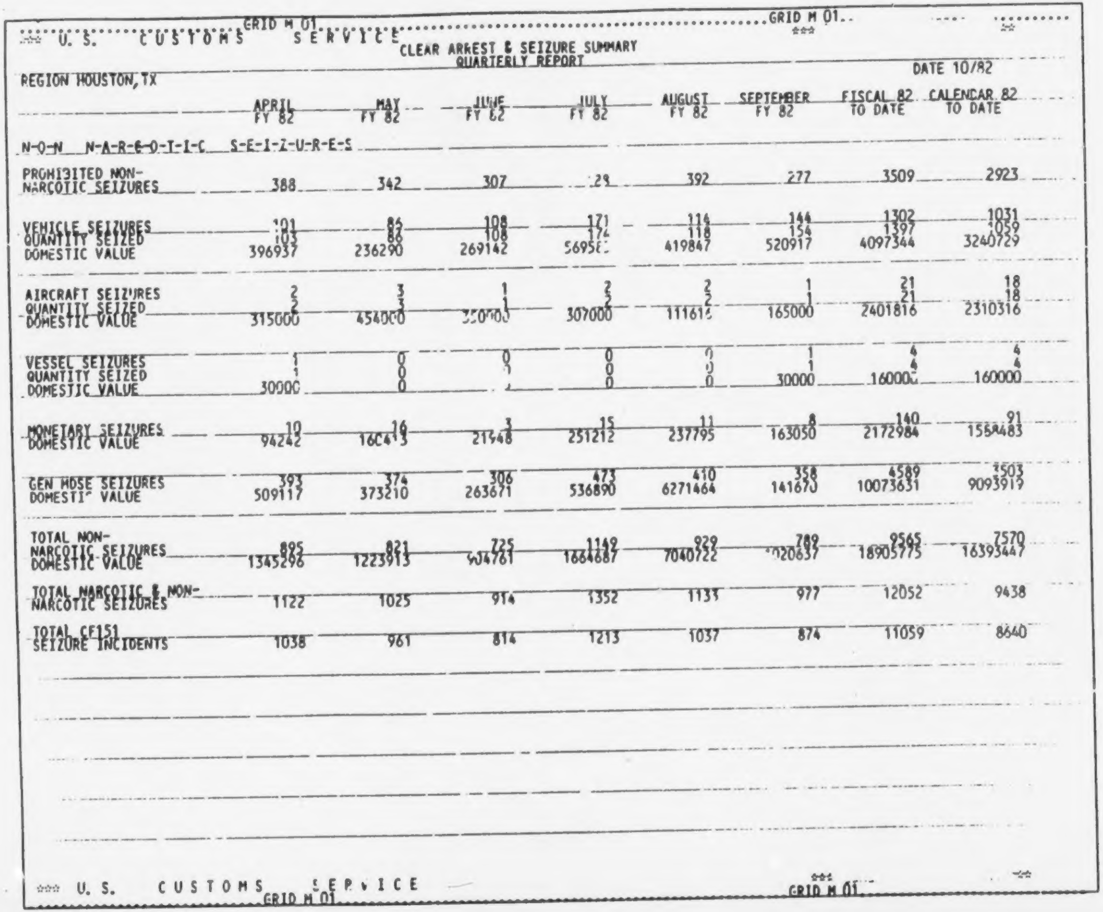
	APRIL FY 82	MAY FY 82	JUNE FY 82	JULY FY 82	AUGUST FY 82	SEPTEMBER FY 82	FISCAL 82 TO DATE	CALENDAR 82 TO DATE
CUSTOMS ARRESTS	285	215	224	299	251	201	2852	2159
USC COOP ARRESTS	83	118	105	109	82	83	1104	854
TOTAL ARRESTS*	368	333	329	408	333	284	3955	3013
NCIC ARRESTS	59	74	52	52	45	44	608	461
TECS ARRESTS	10	8	15	18	13	10	139	118
TECS/NCIC ARRESTS*	69	82	67	70	58	54	747	579

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 82	MAY FY 82	JUNE FY 82	JULY FY 82	AUGUST FY 82	SEPTEMBER FY 82	FISCAL 82 TO DATE	CALENDAR 82 TO DATE
HEROIN SEIZURES	4	3	3	2	1	0	27	22
QUANTITY SEIZED (LBS)	0.2	9.5	1.1	0.8	*	0	14.0	13.0
COCAINE SEIZURES	3	7	6	15	8	6	84	64
QUANTITY SEIZED (LBS)	0.8	3.4	219.3	3.3	9.3	29.4	267.7	267.3
HASHISH SEIZURES	63	32	49	38	45	42	518	396
QUANTITY SEIZED (LBS)	28.1	0.8	0.4	0.4	0.4	0.1	34.8	32.1
MARIJUANA SEIZURES	120	129	99	118	114	108	1438	1061
QUANTITY SEIZED (LBS)	986.8	3522.6	7161.0	2729.4	15207.0	2453.7	123942.9	77150.9
OPIUM SEIZURES	0	0	0	0	0	0	2	2
QUANTITY SEIZED (LBS)	0	0	0	0	0	0	1.3	1.3
MORPHINE SEIZURES	1	0	0	0	0	0	2	2
QUANTITY SEIZED (LBS)	*	0	0	0	0	0	*	*
OTHER DRUG SEIZURES	36	33	32	30	36	32	416	321
QUANTITY SEIZED (TB)	11057	81048	1962	10818	554286	1543	784735	775208
TOTAL NARCOTIC SEIZURES	227	204	189	203	204	188	2487	1868

*** U. S. CUSTOMS SERVICE GRID L 01 *** GRID L 01 **



*** U. S. CUSTOMS SERVICE GRID M 01 GRID M 01 *** **

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

DATE 10/82

REGION HOUSTON, TX

	APRIL FY 82	MAY FY 82	JUNE FY 82	JULY FY 82	AUGUST FY 82	SEPTEMBER FY 82	FISCAL 82 TO DATE	CALENDAR 82 TO DATE
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S								
PROHIBITED NON-NARCOTIC SEIZURES	388	342	307	429	392	277	3509	2923
VEHICLE SEIZURES	101	86	108	171	114	144	1302	1031
QUANTITY SEIZED	103	86	108	174	118	154	1397	1059
DOMESTIC VALUE	396937	236290	269142	5695[illegible]	419847	520917	4097344	3240729
AIRCRAFT SEIZURES	2	3	1	2	2	1	21	18
QUANTITY SEIZED	2	3	1	2	2	1	21	18
DOMESTIC VALUE	315000	454000	350000	307000	111615	165000	2401816	2310316
VESSEL SEIZURES	1	0	0	0	0	1	4	4
QUANTITY SEIZED	1	0	0	0	0	1	4	4
DOMESTIC VALUE	30000	0	0	0	0	30000	160000	160000
MONETARY SEIZURES	10	16	3	15	11	8	140	91
DOMESTIC VALUE	94242	160413	21548	251212	237795	163050	2172984	1554483
GEN MDSE SEIZURES	393	374	306	473	410	358	4589	3503
DOMESTIC VALUE	509117	373210	263671	536890	6271464	141670	10073631	9093919
TOTAL NON-NARCOTIC SEIZURES	895	821	725	1149	929	789	9565	7570
DOMESTIC VALUE	1345296	1223913	904761	1664687	7040722	1020637	18905775	16393447
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	1122	1025	914	1352	1133	977	12052	9438
TOTAL CF151 SEIZURE INCIDENTS	1038	961	814	1213	1037	874	11059	8640

*** U. S. CUSTOMS SERVICE GRID M 01 *** GRID M 01 **

GRID L 07 GRID L 07

*** U. S. CUSTOMS SERVICE ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION LOS ANGELES,CA DISTRICT SAN DIEGO, CA DATE 10/82

	APRIL FY 82	MAY FY 82	JUNE FY 82	JULY FY 82	AUGUST FY 82	SEPTEMBER FY 82	FISCAL 82 TO DATE	CALENDAR 82 TO DATE
CUSTOMS ARRESTS	328	340	283	371	455	388	3911	3096
USC COOP ARRESTS	92	109	77	64	52	60	969	710
TOTAL ARRESTS*	420	449	360	435	507	448	4880	3806
NCIC ARRESTS	40	42	42	40	24	22	456	331
TECS ARRESTS	40	46	20	4	20	24	354	258
TECS/NCIC ARRESTS*	80	88	62	44	44	46	810	589

(* NCIC & TECS ARRESTS INCLUDED IN TOTAL CUSTOMS ARRESTS)

N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S (AN * IN THE POUNDS COLUMN WILL DENOTE LESS THAN 1/10 OF A POUND)

	APRIL FY 82	MAY FY 82	JUNE FY 82	JULY FY 82	AUGUST FY 82	SEPTEMBER FY 82	FISCAL 82 TO DATE	CALENDAR 82 TO DATE
HEROIN SEIZURES	1	1	2	1	1	0	13	12
QUANTITY SEIZED (LBS)	0.1	*	*	*	*	0	1.8	0.9
COCAINE SEIZURES	24	23	12	21	20	15	182	146
QUANTITY SEIZED (LBS)	14.4	*	36.5	4.6	*	0.3	61.1	58.6
HASHISH SEIZURES	5	5	13	8	9	11	94	65
QUANTITY SEIZED (LBS)	*	*	*	*	*	*	3.9	0.3
MARIJUANA SEIZURES	139	143	142	141	107	98	1589	1165
QUANTITY SEIZED (LBS)	239.9	745.7	407.2	144.4	1101.9	2.3	5511.8	4667.3
OPIUM SEIZURES	0	0	0	1	0	0	2	2
QUANTITY SEIZED (LBS)	0	0	0	*	0	0	*	*
MORPHINE SEIZURES	0	0	0	1	0	0	1	1
QUANTITY SEIZED (LBS)	0	0	0	*	0	0	*	*
OTHER DRUG SEIZURES	44	42	63	45	26	28	504	376
QUANTITY SEIZED (TB)	1094	4561	1541	1502	1746	12551	31904	27411
TOTAL NARCOTIC SEIZURES	213	214	232	218	163	152	2385	1767

*** U. S. CUSTOMS SERVICE ***
GRID L 07 GRID L 07

GRID M 07 ... GRID M 07

*** U. S. C U S T O M S S E R V I C E ... *** 1 ***

CLEAR ARREST & SEIZURE SUMMARY
QUARTERLY REPORT

REGION LOS ANGELES, CA DISTRICT SAN DIEGO, CA DATE 10/82

	APRIL FY 82	MAY FY 82	JUNE FY 82	JULY FY 82	AUGUST FY 82	SEPTEMBER FY 82	FISCAL 82 TO DATE	CALENDAR 82 TO DATE
N-O-N N-A-R-C-O-T-I-C S-E-I-Z-U-R-E-S								
PROHIBITED NON-NARCOTIC SEIZURES	142	254	462	551	303	144	2537	2177
VEHICLE SEIZURES	130	146	112	153	202	203	1596	1244
QUANTITY SEIZED	135	147	112	158	207	204	1637	1266
DOMESTIC VALUE	295839	406778	264068	541175	804830	694665	4908122	3866356
AIRCRAFT SEIZURES	1	0	0	0	0	0	1	1
QUANTITY SEIZED	1	0	0	0	0	0	1	1
DOMESTIC VALUE	0	0	0	0	0	0	0	0
VESSEL SEIZURES	1	1	0	0	1	0	5	4
QUANTITY SEIZED	1	1	0	0	1	0	5	4
DOMESTIC VALUE	72500	2000	0	0	30000	0	649500	629500
MONETARY SEIZURES	3	1	5	11	6	10	73	52
DOMESTIC VALUE	18631	9181	241346	197166	131924	391165	1482907	1185751
GEN MDSE SEIZURES	269	350	375	385	472	373	3642	2907
DOMESTIC VALUE	157448	487470	198587	119485	94032	110320	2181879	1790712
TOTAL NON-NARCOTIC SEIZURES	546	752	954	1100	984	730	7854	6385
DOMESTIC VALUE	544418	905429	704001	857826	1060786	1196150	9222408	7472319
TOTAL NARCOTIC & NON-NARCOTIC SEIZURES	759	966	1186	1318	1147	882	10239	8152
TOTAL CF151 SEIZURE INCIDENTS	657	836	1093	1185	1030	786	9199	7262

*** U. S. C U S T O M S S E R V I C E ... *** 1 ***

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ZERO TOLERANCE

Senator Bentsen: With regard to the zero tolerance program, please provide the following information:

A comparison of the numbers of arrests and seizures made under the program and over the last five years without the program, both nationwide and in the state of Texas.

Mr. Lane: The following statistics indicate the increase in seizures as a result of the zero tolerance program and compares statistics over the last five years. It must be noted that the zero tolerance program was initiated nationwide on March 21, 1988, which accounts for the rise in arrests and seizures in that month.

National Customs Statistics

1988	Jan.	Feb.	Mar.	Apr.	May	Jun.
USCS Arrests	1045	1073	1392	1675	1764	1617
Drug Seizures	1505	1452	2069	2067	1933	1539

The following totals are for the months of April, May and June for each respective year.

	1982	1983	1984	1985	1986	1987	1988
USCS Arrests	2863	3645	4712	3953	4311	3548	5056
Drug Seizures	5071	4791	4829	5189	4920	5858	5539

In reference to the State of Texas, the following statistics are provided showing total Customs seizures of less than 10 pounds of cocaine, marijuana and heroin for each respective fiscal year. Seizures of less than 10 pounds categorically account for zero tolerance type arrests and seizures.

State of Texas (Customs Narcotics Seizures Under 10 Pounds)

	1982	1983	1984	1985	1986	1987	1988 (to date)
Cocaine Seizures	9	14	23	29	41	87	72
Marijuana Seizures	140	144	173	197	218	350	615
Heroin Seizures	2	8	1	1	8	8	4
Total Narcotics Seizures Under 10 lbs.	151	166	197	227	267	445	691

Senator Bentsen: With regard to the zero tolerance program, please provide the following information:

Descriptions of some of the more unusual arrests and seizures under the program, again both nationwide and the state of Texas.

Mr. Lane: When U.S. Customs embarked on the zero tolerance program, it was with the intent of showing the general public that U.S. law enforcement would not tolerate the smuggling of any amount of drugs across our borders. Bearing this in mind, the U.S. Customs Service was not expecting any one arrest or seizure to be significant or noteworthy. Instead, we were looking for the significant message the program, as a whole, would be sending to the would be narcotics user.

Likewise, it was not the purpose of the program to seize vessels, vehicles, or aircraft. The initial and continued emphasis is the punishment of the narcotics user. The initial purpose of the program, enforcement of drug smuggling laws, has been clouded to an extent by the publicity surrounding the seizure of conveyances. The seizure of conveyances is secondary to arrest and prosecution and each case will be processed in a fair, flexible manner based on the totality of the circumstances.

The following cases display instances in which the initial seizure under the zero tolerance program resulted in a significant impact on a major narcotics organizations.

1. On October 29, 1987, an individual was arrested under zero tolerance who has become a documented informant for U.S. Customs. This confidential informant has been responsible for three cases to date which have resulted in the seizure of 618 pounds of marijuana, three vehicles, three firearms, $5,080 in U.S. currency and seven arrests. This confidential informant continues to provide information to U.S. Customs.

2. On March 28, 1987, Guy DAWSON was stopped at the Port of San Ysidro for possession of personal use amounts of cocaine. After an interview of DAWSON, agents discovered that he was in possession of ledgers evidencing a major marijuana distribution network. DAWSON led agents to Gary HODGSON who was arrested on April 11, 1987, as he attempted to depart the United States with $596,000 on his person. Further investigation resulted in the seizure of 15 tons of marijuana and numerous arrests by U.S. Customs and DEA. The original ledgers discovered on DAWSON are the integral evidence in this prosecution.

Senator Bentsen: The fiscal year 1988 appropriations bill provides initial funding for a major program of capital improvements in Customs facilities on the Southwest border. Provide a detailed report of the status of these improvements and a current estimate of appropriations necessary to complete them. Please discuss whatever additional Southwestern border improvements may be necessary or desirable beyond those currently planned or underway.

Mr. Lane: I have prepared the following list of projects included in the capital improvements program. The list shows the location of the project, its current status, and a current estimate of additional costs (above the FY 88 appropriations) required to complete it.

Project	Status	Additional Costs
Antelope Wells, NM	Design Scheduled to begin 8/88; completion, 9/89	$100,000
Columbus, NM	Design, 5/88; completion, 12/88	$325,000
Santa Teresa, NM	Design, 5/88; construction, 3/89; completion, 3/89; completion, 3/90	$6,066,000
Amistad Dam, TX	New Project	$150,000
Brownsville, TX (Gateway Bridge)		
1. Security	Design, 6/88; construction, 7/88; completion, 6/90	$215,000
2. Lane Expansion	(Same as above)	$1,253,865
3. R&A, Extension	(Same as above)	$12,690,000
Brownsville, TX (B&M Bridge)	Design, 5/88; construction, 4/89; completion, 3/90	$3,227,000
Los Indios, TX	(Same as above)	$6,120,000
Del Rio, TX		
1. Security	Design, 5/88; construction, 12/88; completion, 9/89	None
2. Lane Expansion	(Same as above)	None
3. Replace Station	Site acquisition, 7/88, design, 7/91; construction, 7/92; completion, 3/90	$15,500,000
Eagle Pass, TX	Design, 5/88; site acquisition, 6/88; construction, 4/89; completion, 4/90	$3,600,000
El Paso, TX (BOTA)	Design, 9/88; construction, 12/89; completion, 4/91	$2,765,000
El Paso, TX (PDN)	(Same as above)	$1,150,000
El Paso, TX (Ysleta)	Design, 6/88; construction, 4/89; completion, 12/89	$4,800,000
Fabens, TX	Site acquisition & design, 6/88; construction, 4/89; completion, 12/89	$700,000
Falcon Dam, TX	Design, 9/88; construction, 6/89; completion, 2/90	None
Ft. Hancock, TX	Design, 4/88; construction, 9/88; completion, 1/89	None
Hidalgo, TX	Design, 6/88; construction, 7/89; completion, 6/90	$1,110,490

Laredo, TX		
1. Juarez-Lincoln Bridge	Site acquisition, 4/88; design, 3/90; construction, 8/91; complete, 8/92	$15,500,000
2. R.R. Bridge	Design, 6/88; construction, 11/88; complete, 5/89	None
3. Convent Street	Design, 6/88; construction, 4/89; complete, 4/90	$2,500,000
Los Ebanos, TX	Design, 6/88; construction, 12/88; complete, 6/89	None
Marathon, TX	Project cancelled	None
Presidio, TX	Site acquisition, 8/88; design, 8/88; construction, 3/89; complete, 12/89	$4,600,000
Progreso, TX	Design, 7/88; construction, 2/89; completion, 10/89	$345,000
Rio Grande City, TX	Design, 8/88; construction, 2/89; complete, 7/89	None
Roma, TX	Design, 8/88; construction, 4/89; completion, 10/89	$450,000
Douglas, AZ	GSA working on site acquisition	$903,752
Lukeville, AZ	Security work being developed	$346,500
Naco, AZ	GSA reviewing specs.	$3,440,600
Nogales, AZ		
1. Morley Gate	GSA working on Master Plan	$15,423,600
2. Mariposa	GSA working on Master Plan	$4,474,800
Sasabe, AZ	GSA reviewing specs.	$3,434,500
San Luis, AZ	GSA reviewing specs.	$791,710
Andrade, CA		
1. R&A/Safety	Under development	$198,918
2. New Station	GSA working on lease	$6,059,108
Calexico, CA		
1. New Station	Pending Mexican site selection	$42,094,506
2. Safety/asbestos	Pending reprogram request	$5,736,220
3. R&A	GSA preparing contracts	$2,020,276

San Ysidro/Otay Mesa, CA

1.	R&A, VA St.	GSA preparing contracts	$507,435
2.	Safety	GSA preparing contracts	$4,354,552
3.	R&A	GSA preparing contracts	$22,896,251
4.	Firearms range	Pending IRS land acquisition	None
5.	Reconfigure lanes	Under design	None
6.	Signs/Security	Under design	$2,461,217
7.	New facility, Otay	GSA has option on land	$16,834,411
8.	Improve commercial lot	Under design	$5,911,533

Tecate, CA

1.	New Station	GSA reviewing specs.	$10,845,467
2.	R&A	GSA working on design	$156,395

In addition, new bridges have been proposed for Laredo, Brownsville, Webb County, Pharr, and Ysleta, Texas and at Calexico, California. Should these bridges become a reality, new facilities will be required to service them.

USE OF ADDITIONAL RESOURCES

Senator Bentsen: The FY 1989 budget request for Customs does not call for any personnel cuts. However, the increased appropriation it proposes is very small, based on the assumption that the funding needed to maintain the current level of services can be made up through savings and non-recurrence of certain expenditures made in FY 1988. Given the growing demands in both the drug and commercial sectors the Customs Service projects for FY 1989, why would it not be advisable to authorize additional appropriations above the amount requested? If the Congress authorized and appropriated an additional $34 million (the amount Customs says is necessary to maintain current services, without regard to the projected savings), what improvements in services or enforcement would be given priority by the Customs Service? Would the additional amount be used primarily for commercial operations or enforcement?

Mr. Lane: The FY 1989 President's Budget for Customs assumes that Customs will be able to absorb increased costs due to inflation through savings from non-recurring costs and improved productivity. As a result, Customs does not believe that additional resources are necessary to continue at the current level of operations. However, if Customs did receive additional resources they would be used to enhance our enforcement efforts and commercial services. The exact distribution of these resources would be made based on the enforcement threat and workload demands at that time taking into consideration any guidance that may have been provided by Congress.

CUSTOMS STAFFING

Senator Bentsen: What criteria does Customs currently use to determine how to allocate its personnel positions? Please respond both with regard to geographical placement of personnel and allocation among various types of positions (inspectors, import specialists, drug interdiction, etc.).

Mr. Lane: Customs considers a number of different factors in determining the staffing levels of its regions, districts, and enforcement offices. The operational offices have models which provide general guidance. However, the quantity of workload, the type of workload and its complexity, the enforcement threat, the facilities in which Customs must operate and the amount of available resources all are taken into consideration in determining the final allocation of resources.

Senator Bentsen: Has Customs shifted staff out of commercial operations and into other duties? What kinds of changes have been made, and what is the extent of these changes?

Mr. Lane: In the past several years Customs has been increasing its staffing allocation for commercial activities. Since September 1986, 1,031 positions have been allocated to commercial activities. This has included 142 import specialists positions and 359 inspectors dedicated to commercial functions. Customs expects to use 9,804 FTE, or 61% of its total staff, for its commercial activities during FY 1988.

GAO REPORT ON AUTOMATED COMMERCIAL SYSTEM

Senator Bentsen: In 1986 the Government Accounting Office concluded that the Selectivity function of Customs' Automated Commercial System, which is designed to screen high risk entries for inspection, was not based on valid, tested criteria. Some critics complain that GAO's observations still apply, and the real function of Selectivity is to limit the amount of inspectional work to match the availability of Customs personnel.

What steps has Customs taken to respond to the GAO report? Are we assured that enough inspections are being conducted (and the right cargo is being inspected) to deter commercial fraud and drug smuggling?

Mr. Lane: In response to the concerns of Congress and the GAO Report referred to in your question, Customs has taken steps to improve our performance in the area of cargo examinations. The increasing use of the ACS Cargo Selectivity module and assigning the rapidly expanding Operational Analysis Staff's (OAS) the sole responsibility of creating and inputting enforcement criteria, has insured nationwide coverage of the highest risk shipments. Much of the great store of enforcement information was either kept in the heads of experienced inspectors, or found in a myriad of documents and reports. Now, these documents have been compiled and categorized, and inspector experience and knowledge formalized into enforcement criteria. All the valid, up-to-date information has been input into the ACS system by OAS. This process is ongoing and criteria is constantly being modified, deleted, or extended in the system. Additional responses to the GAO Report include the creation of Centralized Examination Stations. These stations concentrate the examination of cargo at fewer locations under controlled environments. Travel time and poor facilities are eliminated. The inspector can spend more time doing thorough and worthwhile examinations. Customs directives were issued detailing specific levels of examination thoroughness and intensity, depending on the level of risk and need. Cursory "tailgate examinations" are discouraged. With the advent of the CES's, more thorough examinations are easier to accomplish. The constant review of ACS criteria ensures that the entries designated for intensive examinations represent the highest risk cargo entering the United States, and conversely, the lowest risk cargo are generally not physically examined except on a random verification basis.

Senator Bentsen: What measures has Customs taken, or plans to take, to ensure greater uniformity nationwide in the criteria used to determine which entries to inspect?

Mr. Lane: As stated previously, when OAS was assigned sole responsibility for cargo selectivity enforcement criteria, the first step was taken in ensuring uniform application of procedures for the creation and inclusion of intelligence into ACS Cargo Selectivity module. OAS's first task was to establish criteria task forces whose function was to review OAS enforcement criteria to ensure the validity of that criteria. The first task force convened in New York where they eliminated over 2,500 ineffective criteria, while adding over 1,160 new criteria. Additional task forces then went to Miami, Houston, New Orleans, San Francisco, and Chicago, eliminated 14,411 ineffective criteria, while adding 2,983 new ones. A total of over 800 narcotics criteria alone have been added. The results have been an incredible amount of cocaine and other drugs being seized with the help of ACS criteria. OAS and Customs has also formalized the training of analysts with the development of a basic and advanced OAS training program. The plan is to hold two basic and one advanced class a year. There were three basic classes in 1983, and to date, four this year. As Customs approaches the advent of the Electronic Entry Filer Program, further steps are being taken to ensure continued uniformity and validity of the ACS criteria. A National Import Specialist/OAS criteria task force is scheduled to form and conduct survey of both NIS and OAS criteria in late summer. Customs also has proposed several programming changes which would enable OAS units to improve the criteria profile for their particular areas. Variable randoms will enable inspectors to concentrate on cargo of greater risk for their port while at the same time, reduce the need to examine routine regulatory triggered exams (i.e., label approvals on imported liquor). The ability for local entities to override national criteria to target local issues is another important program which will improve the selectivity of cargo for examination.

CLEARANCE OF INTERNATIONAL AIR PASSENGERS

Senator Bentsen: The report on the 1988 Appropriations Bill sets a standard for Customs' clearance of international air passengers in 45 minutes. Are you now meeting this standard? If not, please explain why not.

Mr. Lane: It is the policy of the U.S. Customs Service to complete the processing of arriving international passengers within 45 minutes of their arrival at the airport terminal gate. This assumes that the facilities for processing arriving international passengers are adequate, and that the airlines meet established schedules, and excludes secondary processing. This policy is now being met.

The Customs Service has placed a strong emphasis on facilitating the traveling public by refining inspection procedures and introducing expeditious processing systems. Our strategy has been based upon selective inspection techniques that target those individuals and operational areas that will yield the highest enforcement return.

LEGAL BASIS FOR COMMERCIAL SHIPMENT SEIZURES

Senator Bentsen: Is the Customs Service currently ordering the seizure of commercial shipments and issuance of penalty notices in lieu of detention of the goods involved? Please explain the legal basis for these seizures.

Deputy Commissioner Lane: It is Customs policy that Section 1595(c), may be used for seizures of any commercial shipments introduced into the United States in violation of any law that imposes or enforces a restriction or prohibition upon the subject importation.

Even under the foregoing circumstances, however, Customs has imposed self-limitations on the use of section 1595(c) seizure authority. For example, shipments involving textile or steel overages generally may be seized only when the overage is at least 10 percent, unless such shipments have been imported by someone with a record of at least two past textile or steel overage violations involving the same foreign supplier, or unless Headquarters has authorized the seizure as representing an intentional violation. In cases involving a violation of section 1304, for failure to properly mark imported merchandise as to the country of origin, the Customs Service has provided that for first time offenses with a given type of merchandise, the merchandise shall not be seized unless there is evidence of intentional or repetitive violations.

DRAWBACK IN THE PETROLEUM INDUSTRY

Senator Boren: As I understand it, in order to maintain a competitive position for U.S. industries in the world market, the U.S. Tariff Act of 1930 allowed a refund to domestic industries exporting products made in the U.S. from imported materials of most of the import duty originally paid. This refund program is called drawback. Drawback is allowed upon export of drawback product, even if the product was withdrawn from commingled storage of drawback and nondrawback products. Customs is about to issue a ruling which will require the drawback claimant to use daily basis accounting for movement of product into and out of commingled storage.

The Committee understands that this ruling will seriously affect the petroleum industry supplying jet fuel for use in foreign-bound aircraft, since such fuel is routinely commingled in large numbers of storage tanks at airports. The petroleum industry has indicated that daily, tank by tank accounting would be time-consuming, burdensome and cost prohibitive, causing companies to forego filing for drawback altogether. Some business will shift to foreign suppliers. The industry has proposed, instead, to treat an entire tank farm as a single tank, and to account for movements on a monthly basis, which is consistent with industry practice. We understand that the manner of identifying drawback product is left to administrative discretion.

In view of the fact that the purpose of the drawback law is to assist domestic industries to compete in foreign commerce, why has Customs decided not to permit monthly accounting, and treat all tanks in a tank farm as a single tank, since the approach will permit the claiming of drawback in the most effective way? Is the approach sought by the petroleum industry specifically prohibited by any law or regulation? If not, what is the basis accounting? Does the Customs Service expect that their decision will result in fewer drawback refunds? If so, upon what analysis is this expectation based? The ruling proposed by Customs will require additional manpower to monitor the more complicated and burdensome accounting requirements of daily accounting; where will this manpower be drawn from? What analysis, if any, has Customs done on the effects of this ruling on the ability of domestic industries to compete in foreign commerce?

Mr. Lane: The Customs Service published the ruling in question as Customs Service Decision (CSD) 88-1. The ruling reaffirmed the principle that was approved in C.S. D.83-54.

The ruling merely restates the statutory language set by Congress in 19 U.S.C. 1313(a). That is, drawback eligibility is set upon exportation of an article manufactured or produced in the United States with the use of imported merchandise. If any other article is exported, the words of the statute preclude granting drawback.

A 30-day period allowed a person to export non-eligible articles and then put an eligible article into storage within 30 days of the exportation and claim drawback as though the eligible article was exported. Congress simply does not permit the Customs Service authority to refund public funds under such hectic accounting methods.

Commingling refers to two or more goods that are so mixed together that it would be impossible to separate one good from another good by physical means or by records. The Customs Service found that the oil in one tank was treated as being mixed with oil in a second tank only for the purpose of filing a drawback claim. For all other purposes: sales, losses, and purchases, the oil in the two tanks were treated as separate and distinct goods. There is no basis to refund public money by allowing a fictional mixing when the claimants for that money do not recognize the fiction for any purpose other than for making the refund claim.

The claimants record all transactions on a transaction-by-transaction basis when they sell, buy, or lose oil. The Customs Service has no reason to believe that those same records cannot be used to support proper drawback claims.

The Customs Service has no reason to believe that the verification of the accounting records already being kept for all other purposes except drawback claims will be any more difficult to process than specifically prepared records that would be solely to support drawback claims.

Since all other industries are able to meet the statutory standards without difficulty and the sales, purchases, use and loss records are already kept by the petroleum companies, the Customs Service has no basis to believe that requiring compliance with statute will necessarily affect the ability of domestic oil industries to compete in foreign commerce.

HONOLULU PERSONNEL REDUCTIONS

Senator Matsunaga: The Customs Service office in Honolulu has continued to experience reductions in personnel despite increasing levels of trade in recent years. I am particularly concerned with the reduction of customs import specialists in Honolulu from a level of 8 full-time specialists in the past to six this year and three next year. This reduction has occurred in the face of a growing backlog of unliquidated entries of four months. Does the Customs Service consider this to be a good situation and if not, what do you plan to do about it? Does the Customs Service believe it can continually substitute automated procedures in place of manpower?

Deputy Commissioner Lane: There are presently six import specialists and one supervisory import specialists assigned to Honolulu. The Customs Service has no plans on reducing this number to three. In fact, if additional import specialists positions are made available, it is very likely Honolulu would be assigned additional positions. We cannot say at this time how many of these positions would be assigned to Honolulu, but they would be assigned proportionately to their workload.

CLEARANCE OF TEXTILE IMPORTS

Senator Matsunaga: I have received quite a few complaints from importers of textiles in Hawaii and elsewhere around the country regarding the rigor with which their imports are inspected and delayed in clearing Customs procedures. Many of these importers find that their shipments are repeatedly subject to "intensive examinations" which are both time-consuming and expensive for these manufacturers. What concerns me is that many of these companies have been in business for years without any record of fraud or misrepresentation and continue to import from the same, longtime foreign suppliers, only to find their shipments now are subject to frequent intensive examinations. This seems like harassment. Do you have ideas on how we can expedite clearance through Customs for textile imports where we have a transaction involving established U.S. importers and foreign suppliers?

Mr. Lane: The President and the Congress of the United States have mandated strict and rigorously enforced restrictions on the importations of textiles and wearing apparel through various trade laws and agreements. Many classes of textile goods are under an import quota system and require visas from the exporting countries to ensure compliance with their laws as well as ours. Customs is required to ensure that imported textiles do not exceed their allotted quotas and that all visas are correct and cover the imported textiles as entered. Your concerns about Hawaii may in part stem from a special operation Customs conducted in Hawaii where all textile shipments were examined and weighed to counter the threat of shipments entering over the visa weight and exceeding the quota. That special enforcement operation is temporarily over; however, it did uncover many violations in textile shipments. The Customs Service is, however, attempting to modify the ACS cargo selectivity criteria so that specific violators will be targeted more intensely, while those with a long record of compliance should see their shipments facilitated under the selectivity system. We have requested program changes which would allow Customs to place criteria requirements for textiles on a variable random selection. Rather than requiring Customs to validate every visa on every shipment, a certain percentage would be selected under a random selection for verification. These measures should mean that importers and foreign shippers who are in compliance will not have as many shipments of theirs examined. However, while the importations of textiles continues to provide such a high percentage of discrepancies, and as long as our trade laws and agreements continue to require strict adherence to quotas for textiles, the level of Customs enforcement action will remain high.

HOWARD SWINIMER'S REQUEST FOR A TRANSFER TO THE WASHINGTON, D.C. AREA

Senator Moynihan: I am concerned about the situation of Howard Swinimer, an Inspector at JFK Airport, who has been seeking a transfer to the Washington, D.C. area. I have written to the Commissioner in the past about Mr. Swinimer's case, and I was assured that a transfer would be provided as soon as possible.

Since I understand that no transfer has yet been provided, I would like a detailed explanation of all of the steps and procedures involving Mr. Swinimer's transfer request, including copies of appropriate documentation, and a response as to why no appropriate position has been found yet for him.

Mr. Lane: As you may know, Howard Swinimer and his wife, June P. Swinimer, are both Customs employees. Mr. and Mrs. Swinimer were both previously assigned to our New York Region. However, several months ago Mrs. Swinimer relocated, on a voluntary basis, to Customs Headquarters in Washington D.C. It should be noted that Mrs. Swinimer voluntarily applied for a position at Headquarters, and unconditionally accepted the position when it was offered to her. Simultaneously, Mr. Swinimer began selective efforts to secure a transfer to the Washington, D.C. area.

In late 1987, Mr. Swinimer applied to the District Director at Dulles International Airport for one of two vacant Inspector positions. Although he was considered for these positions, two other Inspectors (who had also requested transfers to Dulles for family reasons) were ultimately selected. There have been no Inspector vacancies at Dulles since that time. Hence, although Mr. Swinimer's request for transfer to an Inspector position at Dulles is still active, there are no vacancies at that location for which he can be considered.

In April 1988, we suggested that Mr. Swinimer consider applying for Inspectional positions in the Baltimore District which, at that time had a number of vacancies. However, Mr. Swinimer did not apply and the positions have since been filled.

Over the past several months, Mr. Swinimer has applied for competitive promotion to selected positions at Customs Headquarters, advertised under the provisions of our Merit Promotion Plan. Mr. Swinimer's applications for these positions were evaluated in a fair and objective manner within the guidelines of that plan. He was rated among the best qualified applicants for several positions, but was not selected because other candidates on the best qualified lists were deemed by selecting officers to have comparatively superior qualifications.

It should be noted that Swinimer has failed to apply for other advertised Headquarters positions for which he appears to be qualified. For example, he has not applied under Announcement OPSA/88-4597GP for Customs Inspector (Program Officer), GS-11/12/13, which opened March 14, 1988, and is still open for receipt of applications. Also, earlier this year, Mr. Swinimer called our personnel office and requested that the closing date for Announcement OPS/87-4393GP for Program Officer (Inspection and Control), GS-9/11/12, be extended because he had not received a timely copy. This announcement was extended to assure that Mr. Swinimer and others had ample time to submit their applications. However, Mr. Swinimer did not apply at all.

You indicate that you had previously been assured that Mr. Swinimer would be transferred to the Washington, D.C. area; however, I am not aware of any assurance being made. While Customs officials generally try to take employee hardships into consideration in making non-competitive selections, the needs of the Service must be the paramount factor in all selection decisions. It is the selecting officer's responsiblity to fill each position with the person deemed best qualified for that position.

I wish to assure you, however, that Mr. Swinimer will continue to receive appropriate consideration for Inspector vacancies at Dulles International Airport as they occur and for other positions for which he applies and is qualified.

March 15, 1988

The Honorable Frank Wolf
1651 Old Meadow Road
Suite 115
McLean, Va. 22102

Dear Congressman Wolf:

I would like to take this opportunity to introduce myself. My name is June Swinimer. I have been a constituent of yours since January 3, 1988.

I was transferred from John F. Kennedy International Airport to Customs Headquarters in Washington, D.C. I am very happy to be serving Customs at the Headquarters level and I am even happier to be a resident of Virginia. And yet my happiness is a double edged sword.

My husband is a senior Customs Inspector (GS-11) at John F. Kennedy International Airport. I accepted the assignment to Headquarters based on assurances (unwritten of course) my husband was given that "sometime around the first of the year" an inspectors position would be available at Dullus International Airport. It would of course be a downgrade to a GS-9.

We were aware that a move of this type would of course require us to be separated from each other for a period of time. We understood this and accepted it as part of the moving and relocating process.

Based on my promotion to Headquarters and the promise of an opening at Dullus for my husband we put our home in East Meadow, Long Island on the market. Our New York home has been sold and we are now in the process of building a home in Loudoun County, Sterling, Va. The home we are building is only six miles from Dullus Airport. We chose this area because of the irregular hours of an inspectors schedule. But more importantly we chose Sterling, Va. because we felt the country atmosphere and the high standards and ethical qualities of the people in the area was something we wanted our three year old daughter to grow up with.

It has become increasingly evident that my husband is not going to be transferred to Dullus Airport. In fact it is apparent he is not going to be transferred to the Washington, D.C. area period.

My husband, Howard Swinimer, has applied for many jobs at Headquarters and to date, he has not been selected.

We have written to our Congressmen and Senators in New York and asked for their help. But so far this has not helped.

My husband is an exemplary inspector. I know I am progably biased but he has received many awards and outstanding performance appraisels. He is also highly educated, attending the University of Massachusetts on a schlorship and graduating with honors. He has also served as an instructor at our academy in Glynco, Ga. He is quite dedicated to Customs and wishes to continue to fight the war on drugs and commercial fraud as a soldier in the Customs Service.

If he has one (fault) this would be his acceptance as an officer in the National Treasury Employees Union (NTEU). He has helped many of the Customs men and women of Color; men and women who have been discriminated against because of sex or age and he has helped fellow employees who have had the misfortune of chemical dependence. He has given assistance to management whenever he has been called upon.

We of course do not preceive this involvement as a (fault) but rather as assistance to those in need. He saw a need in the Customs family and had an idea that he could help and he ran with it!

We have considered different avenues-but we feel we are reaching dead ends. Our final request will be to President and Mrs. Reagan via a letter written by our daughter. I hope it does not come to that!

The hardship this situation creates is difficult for my husband and myself but is insignificant compared to the emotional trauma of a three year old girl who must constantly be seperated from her parents. It tears my heart to hear my daughter plea, "Am I a bad girl mommy?" when I must leave her. I cannot believe that the Customs Service that my husband and I have served for over 30 years can be this vindictive and unfeeling. I cannot believe that President Reagan would allow his appointee to act in this illegal and immoral manner. I cannot believe this injustice cannot be corrected without prolonged litigation.

If it was Customs objective to "show them who's boss," they can be proud that they have proven their point and made a three year old child a pawn in the battle with NTEU.

I know you are a very busy man. I hope you can do something to reunite my family. I will be available to discuss this problem at your earliest convenience.

Thank you for your time and assistance.

Sincerely,

June P. Swinimer

June P. Swinimer

Home Telephone: 703-444-4042

Work Telephone: 202-343-9849 or 343-9850

DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE
WASHINGTON, D.C.

APR 15 1988

PER-1-CM:H:O

The Honorable
Frank R. Wolf
Member of Congress
1651 Old Meadow Road
McLean, Virginia 22102

Dear Mr. Wolf:

This is in response to your letter of March 21, 1988, on behalf of Mr. and Mrs. Howard Swinimer, concerning Mr. Swinimer's desire to relocate to the Dulles International Airport in Virginia, as a Customs Inspector.

Please assure Mr. and Mrs. Swinimer that Mr. Swinimer's request to relocate to the Dulles International Airport is an active request and that he will receive every appropriate consideration for Inspector vacancies, as they occur. Unfortunately, the Dulles International Airport is currently over their allocated permanent full-time ceiling for Customs Inspector positions and is attempting to reach compliance through attrition. The Dulles Airport is a very desirable duty location for Inspectors and the District Office receives a large number of requests from employees desiring relocation.

Mr. Swinimer may want to consider the Baltimore District as an additional option in his pursuit to relocate in the Washington Metropolitan area. While Inspector vacancies do not occur frequently in the Baltimore District, opportunities do occur occasionally. When vacancies do occur, internal U.S. Customs recruitment is initiated by the issuance of a Merit Promotion Plan Vacancy Announcement. The Vacancy Announcements are distributed throughout U.S. Customs for information and candidate solicitation purposes. Mr. Swinimer has the opportunity to apply for relocation via this procedure. Candidates wishing to apply for the same grade as announced or a lower grade may be considered for the vacancy without competition.

We regret that we could not provide an immediate solution to Mr. and Mrs. Swinimer's situation. We do, however, encourage Mr. Swinimer to seek every application option available.

Your interest in the Customs Service on behalf of Mr. and Mrs. Swinimer is appreciated.

Sincerely,

for Charles R. Parkinson
Associate Commissioner
Congressional and Public Affairs

DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE
WASHINGTON, D.C.

APR 5 1988

PER-1-CM:H:O

The Honorable
Frank R. Wolf
Member of Congress
1651 Old Meadow Road
McLean, Virginia 22102

Dear Mr. Wolf:

This is in reply to your letter of March 21, 1988, on behalf of Mrs. June P. Swinimer, concerning the relocation for her husband to the Washington area.

In order to be fully responsive to your inquiry, we are currently researching the concerns raised by Mrs. Swinimer. We will provide you with a more detailed reply as soon as possible.

Your interest in the Customs Service on behalf of Mrs. Swinimer is appreciated.

Sincerely,

David F. Gencarelli
Director
Office of Congressional Affairs

FRANK R. WOLF
10TH DISTRICT VIRGINIA

WASHINGTON OFFICE
130 CANNON BUILDING
WASHINGTON DC 20515
(202) 225-5136

CONSTITUENT SERVICES OFFICES
1651 OLD MEADOW ROAD
SUITE 115
MCLEAN VA 22102
(703) 734-1500

19 EAST MARKET STREET
ROOM 48
LEESBURG VA 22075
(703) 777-4422

Congreſs of the United States
House of Representatives
Washington, DC 20515

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEES
TRANSPORTATION
TREASURY—POSTAL SERVICE—GENERAL GOVERNMENT
SELECT COMMITTEE
ON CHILDREN, YOUTH,
AND FAMILIES

June 1, 1988

Mr. William Von Raab
Commissioner
U.S. Customs Service
Suite 3136
U.S. Customs Service Building
1301 Constitution Avenue, N.W.
Washington, D.C. 20229

Dear Commissioner Von Raab:

I am writing again on behalf of my constituent, Mrs. June P. Swinimer, whose correspondence I am enclosing. Due to a transfer, Mrs. Swinimer and her husband, Howard Swinimer, both of them Customs agents, were separated, and since that time, have experienced extreme hardship in attempting to reunite their family.

Mrs. Swinimer was recently offered a position transfer from John F. Kennedy International Airport in New York to the Customs Headquarters in Washington, D.C. Before the transfer, she and her husband were assured by authorities in the Department that he would be transferred to the Washington area as well, and reunited "sometime around the first of the year". Based on the promotion for Mrs. Swinimer and the assurances by superiors that a reunification of the family would soon follow, the couple sold their house on Long Island and began building a new home in Sterling, Virginia.

Unfortunately, Mr. Swinimer has not received any notice of an impending transfer to this area, and the family is in despair at the thought of their prolonged separation. Even worse is the traumatic effect the situation is having upon their three year old daughter, who is constantly separated from one of her two parents.

Both Mr. and Mrs. Swinimer's records are spotless, and they have been exemplary employees of the Customs Service for 17 years and 16 years, respectively. Mr. Swinimer is a Senior Customs Inspector (GS-11) with an outstanding career in public service. He has been bestowed with many awards for excellence as well as many outstanding performance appraisals. His outstanding caliber of achievement and proficiency is emphasized by his selection as an instructor at the U.S. Customs Academy in Glynco, Georgia, for a period of service of over 18 months.

THIS STATIONERY PRINTED ON PAPER MADE WITH RECYCLED FIBERS

I would appreciate it if you would review the merits of this situation in view of the fact that the Swinimers' career record is spotless and outstanding, that they received assurances from senior officials in the Customs Service that Mr. Swinimer would be transferred soon afterwards, and that the family, including a small child, has been separated from each other for almost six months. I would appreciate it if you would provide a complete report to me that would address all aspects of the problem as stated here and in the enclosed letter from Mrs. Swinimer. It would be helpful if you would address your response to me, attention: Judy McCary.

Thank you for your time and consideration in being attentive to the needs of my constituent.

With warm regards,

Sincerely,

Frank R. Wolf
Member of Congress

FRW:jm/ek
Enclosure

Thank you

DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE
WASHINGTON, D.C

June 24, 1988

PER-1-CM:H:O

The Honorable
Frank R. Wolf
Member of Congress
1651 Old Meadow Road
McLean, Virginia 22102

Dear Mr. Wolf:

This is in response to your letters of June 1, 1988, to several Customs officials on behalf of Mrs. June P. Swinimer, concerning Mr. Swinimer's desire to relocate to the Washington metropolitan area. The Commissioner of Customs has asked me to respond to your inquiries.

We sincerely sympathize with the difficulties the Swinimers are experiencing due to the separation of their family. However, we wish to note that Mrs. Swinimer voluntarily applied for a position in Washington, D.C. and unconditionally accepted the position when it was offered to her. Simultaneously, Mr. Swinimer began selective efforts to secure a transfer to the Washington, D.C. area.

Late in 1987, Mr. Swinimer applied to the District Director at Dulles International Airport for one of two vacant Inspector positions. Although he was considered for these positions, two other Inspectors (who had also requested transfers to Dulles for family reasons) were ultimately selected. There have been no vacancies at Dulles since that time. Although one current Inspector will be leaving Dulles this month, the resultant vacancy is not being filled as an Inspector position. Local needs have resulted in the reallocation of this vacancy to the Fines, Penalties and Forfeitures function at a significantly lower grade level. Hence, although Mr. Swinimer's request for transfer to an Inspector position at Dulles is still an active petition, there are no vacancies at that location for which he can be considered.

In our April 15, 1988, response to your previous letter in behalf of the Swinimers, we suggested that Mr. Swinimer consider applying for Inspectional positions in the Baltimore District which, at that time, had a number of vacancies. Mr. Swinimer did not apply and the positions have since been filled.

Over the past several months, Mr. Swinimer has applied for competitive promotion to selected positions at Customs Headquarters, advertised under the provisions of our Merit Promotion Plan. Review indicates that Mr. Swinimer's applications for these positions were evaluated in a fair and objective manner within the guidelines of that plan. He was rated among the best qualified applicants for several positions, but was not selected because other candidates on the best qualified lists were deemed by selecting officers to have comparatively superior qualifications.

Mr. Swinimer has failed to apply for other advertised Headquarters positions for which he appears to be qualified. For example, Mr. Swinimer has not applied under Announcement OPSA/88-4597GP for Customs Inspector (Program Officer), GS-11/12/13, which opened on March 14, 1988, and which is still open for receipt of applications. Also, earlier this year, Mr. Swinimer called the personnel office and requested that the closing date for Announcement OPS/87-4393GP for Program Officer (Inspection and Control), GS-9/11/12, be extended because he had not received a timely copy. This announcement was extended to assure that Mr. Swinimer and others had ample time to submit their applications. However, Mr. Swinimer did not apply at all.

Mr. Swinimer will continue to receive appropriate consideration for Inspector vacancies at Dulles as they occur and for other positions for which he applies and is qualified. However, we cannot assure that he will be selected. While Customs officials generally try to take employee hardships into consideration in making non-competitive selections, the needs of the Service must be the paramount factor in all selection decisions. It is the selecting officer's responsibility to fill each position with the person deemed best qualified for that position.

Your interest in the Customs Service on behalf of Mr. and Mrs. Swinimer is appreciated and we regret that we are unable to provide a more favorable response at this time.

Sincerely,

William F. Riley
Comptroller

0353 E1 Custo

1433 Mark Drive
East Meadow, N.Y. 11554
November 10, 1987

1987 NOV 17 PM 3:02
1987 DEC 10 AM 1:25

The Honorable Alfonse D'Amato
United States Senate
Washington, D.C. 20510

Dear Senator D'Amato:

I know and appreciate the fact that you have been an ardent supporter of the U.S. Customs Service and the war on drugs. As a customs inspector and field soldier in this war for the past sixteen years at JFK Airport, I would appreciate your assistance in helping me obtain a hardship transfer to Dulles International Airport in Virginia.

My wife, who has been a customs employee for fifteen years, has received a merit promotion to customs headquarters where her expertise can be used in the commercial operations branch of customs. In order for her to accept tis position, I must also obtain a job in the Virginia/D.C. area.

I am not seeking a promotion, merely a lateral transfer to a GS-11 inspector position. In fact I am willing to give up my GS-11 position and the training and expertise I bring to it for a GS-9 journeyman inspector position. I have made many significant narcotics seizures in my sixteen years of service. Last year I made a 50 pound heroin seizure on an elderly Chinese woman travelling on a low risk flight from Japan. This seizure highlighted the growing Chinese connection in the New York heroin trade. I have received many letters of commendation for my narcotics seizures, including letters from both the U. S. Attorney and the Queens D.A.

As the Senate's foremost crusader in the war on drugs, I know you can appreciate my reluctance to leave this battle before it is won. I want to continue to utilize the skills and abilities I have cultivated at JFK Airport for the past sixteen years.

My wife must report to Washington in January. We have already placed our house in N.Y. for sale and contracted to buy a house in Virginia. It will be a real hardship on my wife and I and on our 2½ year old daughter if my transfer is not approved as soon as possible. I have already submitted a request for transfer to Mr. Sidney Reyes the Director of Customs at Dulles International Airport. In the past female inspectors whose husbands have been transferred to headquarters or other areas have been accomodated with transfers.

I would appreciate your help in expediting my request for a hardship transfer. I thank you for your past help in increaing customs budget and giving customs and other federal agencies in N.Y. the support they need to wage a viable war on drugs.

Sincerely yours,

Howard P. Swinimer

Howard P. Swinimer

DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE
WASHINGTON, D.C.

JAN 6 1988

PER-1-CM:H:O

The Honorable
Alfonse D'Amato
United States Senator
Albany, New York 12207

Dear Senator D'Amato:

This is in reply to your letter of December 11, 1987, on behalf of Mr. Howard F. Swinimer, concerning his interest in relocating to Dulles International Airport in Virginia, as a Customs Inspector.

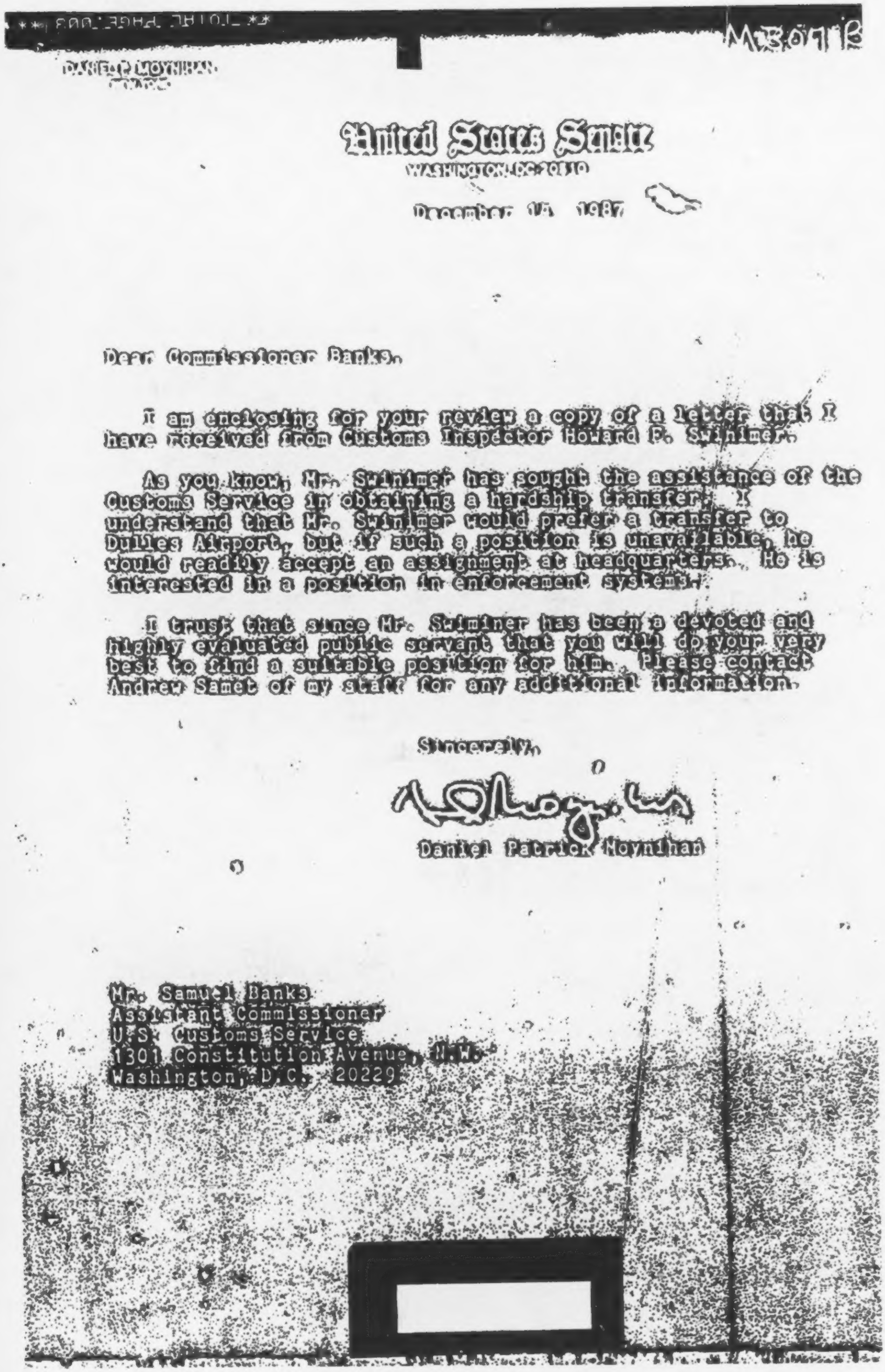
Mr. Swinimer has been considered for a Customs Inspector position at Dulles International Airport but was not selected for the position. Unfortunately, there are currently no other Inspector vacancies available at Dulles. We have also reviewed the staffing situation in the Baltimore District which is relatively close to the Washington Metropolitan area and find that there are currently no uncommitted Inspector vacancies at that location.

We regret that we could not provide a more favorable response to Mr. Swinimer's request.

Your interest in the Customs Service on behalf of Mr. Swinimer is appreciated.

Sincerely,

Charles R. Parkinson
Associate Commissioner
Congressional and Public Affairs



MB07B

DANIEL P. MOYNIHAN
NEW YORK

United States Senate
WASHINGTON, DC 20510

December 15, 1987

Dear Commissioner Banks,

I am enclosing for your review a copy of a letter that I have received from Customs Inspector Howard F. Swiminer.

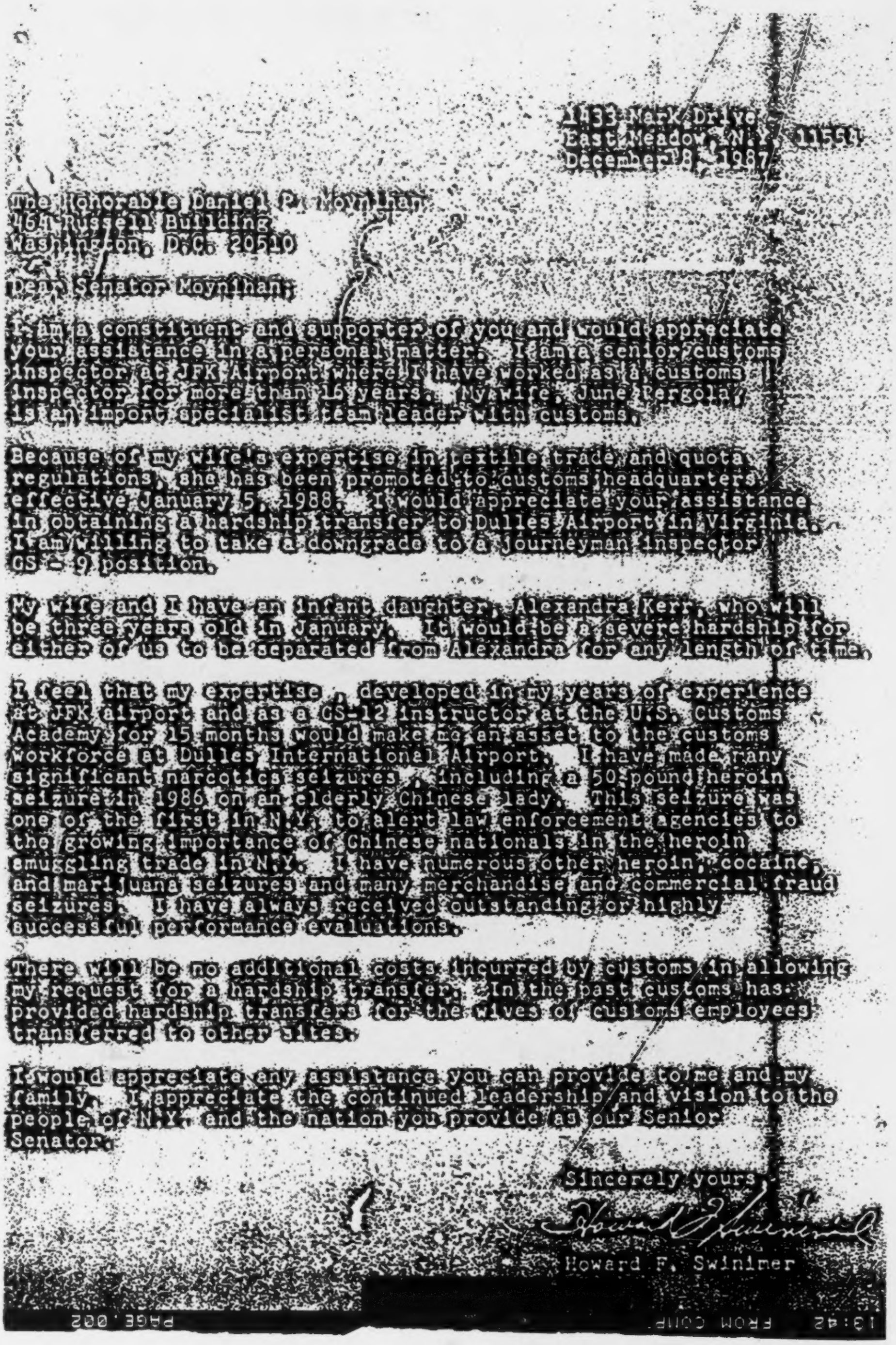
As you know, Mr. Swiminer has sought the assistance of the Customs Service in obtaining a hardship transfer. I understand that Mr. Swiminer would prefer a transfer to Dulles Airport, but if such a position is unavailable, he would readily accept an assignment at headquarters. He is interested in a position in enforcement systems.

I trust that since Mr. Swiminer has been a devoted and highly evaluated public servant that you will do your very best to find a suitable position for him. Please contact Andrew Samet of my staff for any additional information.

Sincerely,

Daniel Patrick Moynihan

Mr. Samuel Banks
Assistant Commissioner
U.S. Customs Service
1301 Constitution Avenue, N.W.
Washington, D.C. 20229



1433 Mark Drive
East Meadow, N.Y. 11554
December 18, 1987

The Honorable Daniel P. Moynihan
464 Russell Building
Washington, D.C. 20510

Dear Senator Moynihan;

I am a constituent and supporter of you and would appreciate your assistance in a personal matter. I am a senior customs inspector at JFK Airport where I have worked as a customs inspector for more than 16 years. My wife, June Pergola, is an import specialist team leader with customs.

Because of my wife's expertise in textile trade and quota regulations, she has been promoted to customs headquarters effective January 5, 1988. I would appreciate your assistance in obtaining a hardship transfer to Dulles Airport in Virginia. I am willing to take a downgrade to a journeyman inspector GS - 9 position.

My wife and I have an infant daughter, Alexandra Kerr, who will be three years old in January. It would be a severe hardship for either of us to be separated from Alexandra for any length of time.

I feel that my expertise , developed in my years of experience at JFK airport and as a GS-12 instructor at the U.S. Customs Academy for 15 months would make me an asset to the customs workforce at Dulles International Airport. I have made many significant narcotics seizures , including a 50 pound heroin seizure in 1986 on an elderly Chinese lady. This seizure was one of the first in N.Y. to alert law enforcement agencies to the growing importance of Chinese nationals in the heroin smuggling trade in N.Y. I have numerous other heroin, cocaine, and marijuana seizures and many merchandise and commercial fraud seizures. I have always received outstanding or highly successful performance evaluations.

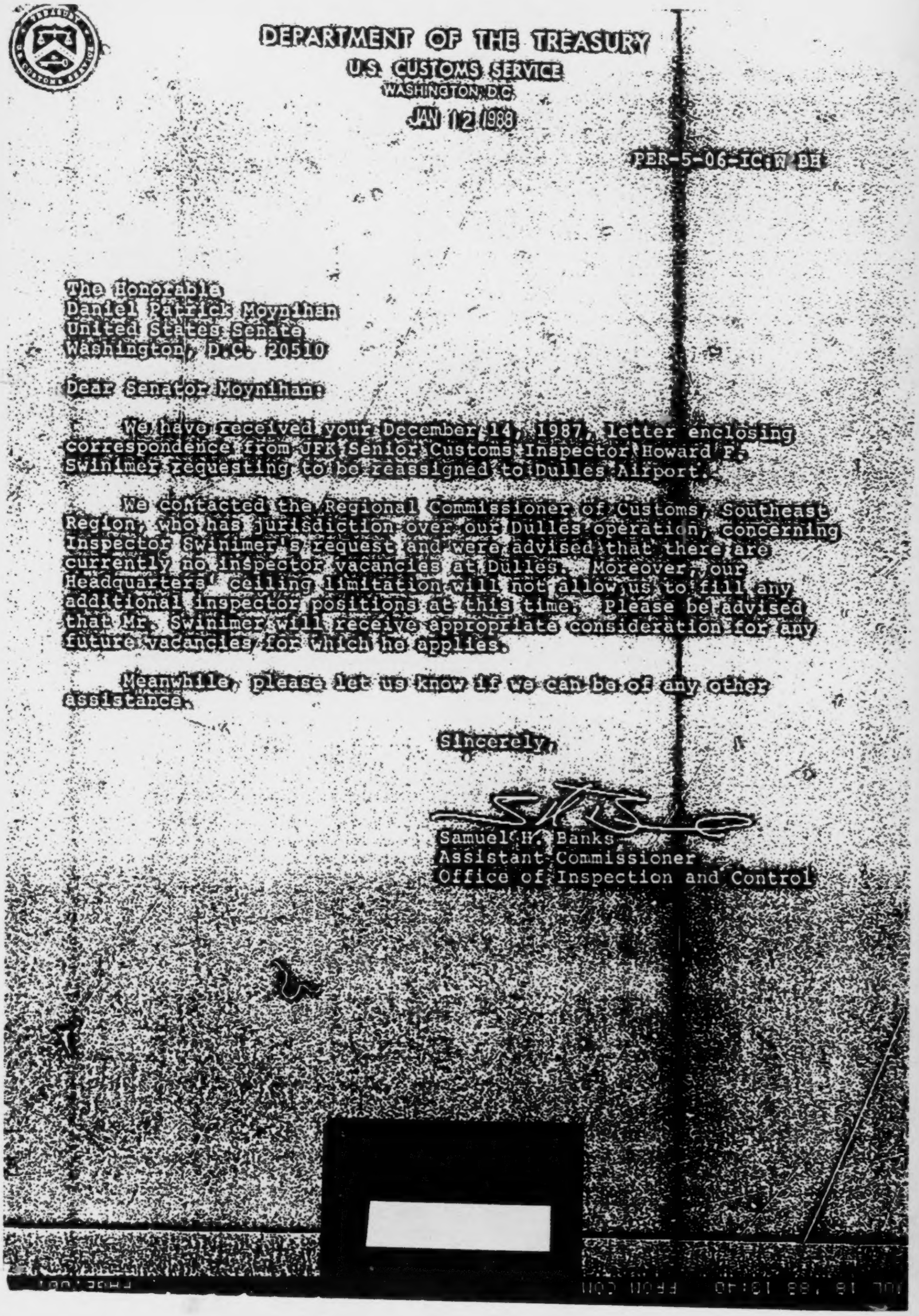
There will be no additional costs incurred by customs in allowing my request for a hardship transfer. In the past customs has provided hardship transfers for the wives of customs employees transferred to other sites.

I would appreciate any assistance you can provide to me and my family. I appreciate the continued leadership and vision to the people of N.Y. and the nation you provide as our Senior Senator.

Sincerely yours

Howard F. Swinimer

Howard F. Swinimer



DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE
WASHINGTON, D.C.

JAN 12 1988

PER-5-06-IC:W BH

The Honorable
Daniel Patrick Moynihan
United States Senate
Washington, D.C. 20510

Dear Senator Moynihan:

We have received your December 14, 1987, letter enclosing correspondence from JFK Senior Customs Inspector Howard F. Swinimer requesting to be reassigned to Dulles Airport.

We contacted the Regional Commissioner of Customs, Southeast Region, who has jurisdiction over our Dulles operation, concerning Inspector Swinimer's request and were advised that there are currently no inspector vacancies at Dulles. Moreover, our Headquarters' ceiling limitation will not allow us to fill any additional inspector positions at this time. Please be advised that Mr. Swinimer will receive appropriate consideration for any future vacancies for which he applies.

Meanwhile, please let us know if we can be of any other assistance.

Sincerely,

Samuel H. Banks
Assistant Commissioner
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CARGO INSPECTION AT JFK AIRPORT

Senator Moynihan: Since the Budget Reconciliation Act of 1987 required the shutdown of the Centralized Examination Station (CES) at JFK Airport, I would like an explanation of the cargo inspection system now in operation at the airport. Provide details of the hours of service and level of staffing for commercial and passenger processing.

Mr. Lane: While the CES at JFK was operational, inspectors were assigned to the various air carrier facilities to process and examine cargo and to the CES at JFK airport. The CES at JFK airport was established to examine all Container Freight Station (CFS) cargo which arrived by air.

Since January, 1988, Customs officers at JFK visited CFS's to examine cargo on an "as needed" basis, usually once a day, and visit air carrier facilities during specific scheduled times. At the present time, only a few high-volume air cargo facilities receive extended service from Customs.

Customs officers are available to process entries and/or examine merchandise from 6 a.m. to midnight, Monday through Saturday, and 8 a.m. to midnight, Sundays and holidays. There are currently 120 Customs inspectors who are devoted to processing cargo at JFK airport.

There are approximately 140 inspectors who are involved in passenger processing at JFK Airport. In addition, during the peak summer season, 120 temporary inspectors are also employed to complement these inspectors. There are five terminals at JFK where passengers are processed. These terminals each have different hours of service. The International Arrivals Building has three tours of duty: 8 a.m. to 5 p.m., 1 p.m. to 9 p.m., and 4 p.m. to midnight. Three terminals (Pan Am, British Airways, and American Airlines) are staffed from 1 p.m. to 9 p.m. The TWA terminal is staffed from 12 p.m. to 8 p.m.

NORTHERN BORDER WORK LOAD

Senator Moynihan: What contingency planning has been given to the increased work load that may be imposed upon the northern border Customs operations as a result of the Canada free trade agreement? Although, tariffs may be phased out, it would appear that enforcing the complex new rules of origin for textiles, steel and automotive products under the agreement could significantly increase the responsibilities of Customs.

Mr. Lane: U.S. Customs, as part of an overall northern border strategy, is implementing a program to improve Customs processing on the northern border. The program will establish 27 commercial processing centers, which will have the latest Customs automated equipment and will provide inspectors the means to complete entire examinations when necessary. These 27 locations now process approximately 90 percent of the northern border trade. Customs selectivity will permit the quick release of low-risk shipments and expedited treatment of those requiring more intensive review. This program will allow U.S. Customs to accurately process more shipments without increased staffing.

The rules of origin under the Canada - U.S. Free Trade Agreement (FTA) are new and different from other duty-preference programs. For this reason, Customs is developing training courses and seminars to assist officers in applying the rules. Customs is confident that given the necessary training and experience in using the rules of origin our officers will correctly interpret and apply the rules. The difficult commodities, such as textiles, steel and automotive products, are high-risk and, therefore, require more examinations and indepth reviews under our current procedures. This will not change under the FTA.

U.S. Customs does not at this time see a need for additional staffing due to the FTA. Customs has and will continue to apportion staffing to the processing and audit of high-risk merchandise. Should these areas change upon FTA implementation, staffing will be directed to those areas.

CUSTOMS SERVICE STAFFING

Senator Moynihan: There has been significant questions raised as to whether or not the Customs Service has adequate staffing. In order to determine the level of staffing that is appropriate, has the Customs Service established work load standards for inspectors and import specialists? If so, provide the standards. If no standards have been established, explain why not.

Mr. Lane: An Import Specialist Allocation model exists which allocates positions according to relative work load. This model does not determine how many positions there should be, since factors other than work load must be taken into consideration, but instead allocates available resources according to the relative work load of different locations. For example, in arriving at the import specialist allocation, the model not only measures total number of entries processed but also introduces a complexity factor to give added weight to trade programs.

Customs is currently modifying staffing allocation models in use in two Regions to generate a National Inspector Allocation Model which will also allocate staffing based on work load standards. The current inspector position allocation standard under consideration, based on observation of operations, history, and experience is based on such standards as vessel and vehicle arrivals, passenger declarations, private air arrivals, merchandise releases, in bond entries, and pedestrians.

COMMERCIAL ENTRIES HANDLED

Senator Moynihan: For each of the last three years, state the number of commercial (not passenger) entries handled per import specialist and per inspector.

Mr. Lane: The average number of entries per import specialist and inspector is as shown below:

Commercial Entries per Position

	1985	1986	1987
Import Specialist	8,027	9,528	9,954
Inspector	2,195	2,279	2,304

KEY MANAGERIAL TURNOVER
GM-15/SES

Senator Moynihan: For each of the last 10 years, what is the number of senior Customs personnel (GM-15 and above) that have left the Customs Service, and the total number of such positions? Is the rate of departures considered satisfactory?

Mr. Lane: Separation data for positions at GM-15 and above is readily available for the calendar years 1986, 1987, and 1988. This data reveals an acceptable separation rate of 5 percent. Out of approximately 300 positions (this includes 50 SES) there was an average of 9 retirements and 6 other types of separation (resignations and transfers to other agencies) each year. The SES turnover rate of 8.6 percent over the last three years is slightly higher but still acceptable.

ANTIDUMPING AND COUNTERVAILING DUTIES

Senator Moynihan: Explain the collection procedures for antidumping and countervailing duties. For each of the past three years determine for each outstanding antidumping or countervailing duty order how much in penalty tariffs were collected. Compare the amount of the collections to the total value of merchandise imported covered by each order in each year. Also give the ad valorem (or other) rate of antidumping or countervailing duties imposed by the Department of Commerce for each order in each year. Is the rate of collection of antidumping and countervailing duties considered satisfactory? If it is not satisfactory, what is Customs going to do to improve collections?

Mr. Lane: Antidumping and countervailing duties are collected in conjunction with the collection of other duties and taxes once an antidumping or countervailing duty (AD/CVD) order is published. These are estimated AD/CVD duties and may be changed at the administrative review done yearly by the Department of Commerce. For merchandise on which the Import Administration has made a determination of dumping, but the ITC has not yet found injury, the importer may post a bond for potential AD/CVD duties.

AD/CVD duties on these entries will be collected upon completion of subsequent administrative review proceedings. We believe the collection of antidumping and countervailing duties is being performed quite adequately in the field. You have asked us to compare the rate of collection of AD/CVD duties for all orders with the total imports of the particular commodity subject to the order. Unfortunately, we are unable to do this type of analysis. Import statistics are published by TSUSA number. Many AD/CVD orders, however, encompass only part of a TSUSA number. For example, if a TSUSA number covers all pens, but the AD/CVD case covers just fountain pens, no way exists for determining the universe if imported fountain pens other than reviewing all pen entries. Such a study was done by the Department of Commerce several months ago on brazing copper rod and wire from South Africa. They found that all entries were properly processed. While the Customs Service is confident that AD/CVD entries are being properly processed and AD/CVD duties collected, we have found that our reporting system for showing what has been collected has been less than adequate. We are therefore in the process of implementing and AD/CVD module within Customs Automated Commercial System which, among other things, will provide much more accurate and timely statistics on entries subject to AD/CVD proceedings, and the amount of AD/CVD duty collected.

CUSTOMS FRAUD INVESTIGATIONS

Senator Moynihan: How many formal fraud cases have been opened by Customs in each of the last three years?

Mr. Lane: During fiscal year 1985, we initiated 1,592 fraud investigations; during fiscal year 1986, we initiated 1,883 fraud investigations; and during fiscal year 1987, we initiated 1,964 fraud investigations.

Senator Moynihan: What number of these cases resulted in penalties being collected and what was the amount of penalties collected in each of these years?

Mr. Lane: During fiscal year 1985, we issued 257 civil fraud penalties and collected approximately $175 million; during fiscal year 1986, we issued 261 civil fraud penalties and collected $47 million; and during fiscal year 1987, we issued 316 civil penalties and collected $23 million.

AUTOMATED COMMERCIAL SYSTEM (ACS)

Senator Moynihan: For each Customs region, what is the total and the percentage of entries that went through ACS?

Deputy Commissioner Lane: The attached chart shows the total and percentage of Customs volume processed by the Automated Broker Interface (ABI) module of ACS as of June 1988.

ACS Statistics

ABI VOLUME BY DISTRICT; for June 1988

	District	ABI Volume*	% of District Total	
01	Portland	6,153	57 %	
02	St. Albans	15,370	82	
04	Boston	13,483	61	
05	Providence	530	70	
07	Ogdensburg	29,465	73	
09	Buffalo	71,500	84	
11	Philadelphia	7,576	57	
13	Baltimore	3,856	47	
	REGION 1	147,933	74 %	(72%)**
10	New York	1,405	26 %	
46	Newark	23,777	48	
47	JFK	26,064	40	
	REGION 2	51,246	42 %	(36%)
33	Great Falls	1,606	17 %	
35	Minneapolis	1,801	52	
37	Milwaukee	1,121	54	
38	Detroit	70,913	80	
39	Chicago	20,747	60	
41	Cleveland	16,986	81	
45	St. Loius	2,674	61	
	REGION 3	115,847	67 %	(62%)
14	Norfolk	3,105	56 %	
15	Wilmington NC	1,785	35	
16	Charleston SC	5,026	67	
17	Savannah	8,121	63	
18	Tampa	1,257	26	
49	San Juan	-	-	
52	Miami	9,095	48	
54	Washington, D.C.	546	24	
	REGION 4	28,935	45 %	(38%)
19	Mobile	538	42 %	
20	New Orleans	34,828	90	
	REGION 5	35,366	89 %	(86%)
23	Laredo	8,412	39 %	
24	El Paso	6,889	82	
26	Nogales	6,274	53	
53	Houston	4,315	58	
55	Dallas	5,462	70	
	REGION 6	31,352	55 %	(48%)
25	San Diego	4,129	31	
27	Los Angeles	45,033	63	
28	San Francisco	17,551	54	
29	Portland OR	3,123	71	
30	Seattle	20,033	49	
31	Anchorage	-	-	
32	Honolulu	2,258	69	
	REGION 7	92,127	55 %	(49%)
	TOTAL, ALL REGIONS	502,812	61 %	(58%)

**( )-May 1988

*source: ACSR-ES-149 report

AUTOMATED COMMERCIAL SYSTEM

Senator Moynihan: What is the total amount of consultants fees that have been paid in each relevant fiscal year related to the ACS and ADP? Quantify the savings in manpower and dollars due to the use of ACS and ADP in each year that it has been in use. Also give costs (in addition to consultant fees) that are attributable to ACS and ADP in each fiscal year.

Mr. Lane: The consultant costs and total costs for ACS are as shown below:

AUTOMATED COMMERCIAL SYSTEM
FY 1982 - 1988 COSTS ($000)

Fiscal Year	Consultant Costs	Total ACS Cost
1982	250	97
1983	250	12,392
1984	250	19,154
1985	250	29,949
1986	250	31,469
1987	503	35,734
1988	700	41,885
Total	2,453	170,680

A study conducted by the Department of Treasury on ACS found the following productivity improvements from FY 1982 to FY 1988:

ACS PRODUCTIVITY IMPROVEMENTS

Positions Avoided	6,500
Estimated Personnel Costs Avoided	$193,700,000
Total Productivity Improvements	94%
Average Annual Productivity Improvement	10%

RULES OF ORIGIN

Senator Riegle: How does the Customs Service plan to monitor and enforce the rules of origin established in the U.S.-Canada Trade Agreement should it be implemented on January 1, 1989?

Mr. Lane: Annex 406 of the U.S.-Canada Free Trade Agreement (FTA) requires that an importer claiming FTA status have in his possession a written declaration from the exporter that the goods in question meet the rules of origin. U.S. Customs will require importers to produce written declarations for those shipments in which origin is questioned. In addition, U.S. Customs will do spot checks to insure that the importer has the necessary certification and will conduct audits to verify origin. U.S. and Canada Customs are jointly drafting procedures whereby they will assist each other in conducting exporter audits and further investigations when fraudulent claims are suspected. The FTA specifies that both the importer and exporter may be prosecuted for false declarations.

U.S. Customs will track trade patterns through the Automated Commercial System for the purpose of identifying changes in trade patterns that might indicate attempts to illegally use the FTA to obtain duty-free treatment. Canada Customs also will monitor trade through their automated systems. Both services will exchange statistical information and will keep each other advised of trend changes which may indicate attempts to evade duty or other trade programs.

AMERICAN ASSOCIATION OF EXPORTERS AND IMPORTERS

Good Morning, Chairman Bentsen, members of the committee. I am Eugene J. Milosh, President of the American Association of Exporters and Importers (AAEI). AAEI is a national organization of approximately 1200 U.S. firms active in importing and exporting a broad range of products including chemicals, machinery, electronics, textiles and apparel, footwear and foodstuffs. AAEI members also include customs brokers, freight forwarders, banks, attorneys and insurance carriers. AAEI is a close observer of the U.S. Customs Service policies and practices in its ports nationwide, as our members deal with U.S. Customs on a day-to-day basis.

AAEI and Customs have always dealt with each other in a direct and honest manner. Due to this longstanding relationship, AAEI does not hesitate to point out problems to or ask questions of Customs. Although many of the smaller problems and a few of the larger problems are resolved, Customs and the trade community face greater difficulties every day. Statement of the problem is simple: increased emphasis on narcotic interdiction and an unhealthy concentration on commercial enforcement have led to neglect of the commercial trade facilitation responsibilities of Customs, despite the recent increase in the agency's budget.

AAEI sympathizes with the Customs Service. Despite increased demands for drug interdiction, increased emphasis on commercial enforcement and increasing amounts of entries to process, the Customs Service and the trade community continually have had to fight for increased staffing. Although AAEI is encouraged by the increased resources provided by The Omnibus Budget Reconciliation Act of 1987, and the mandate contained in the Senate Report that "the Administration desist from again attempting, as it has with regard to FY1987 appropriations, to cut the budget of the Customs Service through unilateral deferrals and recisions that run counter to the expressed will of the Congress", we take exception to the implication that the 1987 staffing and resource levels were adequate. In fact, the opposite is true. Customs' commercial operations were inadequately staffed and neglected in 1987.

In Fiscal Year 1987, Customs collected over $16 billion dollars in revenue for the General Treasury. Over $15.5 billion was due to commercial operations. In other words, Customs collected approximately $25 for every

$1 it spent on commercial operations. $642,905,450 of this amount was due to the merchandise processing fee, although the money was not released to Customs. The U.S. Customs Service is a revenue generating agency, an agency which realizes over 2500% return and has not yet reached the point of diminishing returns. AAEI urges this Committee to ensure that the trade community receives adequate service for which it pays so dearly.

AAEI is constantly exposed to the best and worst of Customs commercial operations. However, it is not a question of balance. The successful programs that Customs has developed and implemented should set the standard for all their programs. Efficient and quick commercial trade processing, minimal cost to the exporter or importer and a respect for the legal rights of U.S. persons should be the rule -- not the exception -- of Customs commercial operations. The budget authorization for FY1989 must ensure that Customs not only have the resources to improve commercial operations but also mandate that improvement.

Customs has spent, and will continue to spend a large part of its budget on existing automated programs and on the development of new electronic programs. AAEI agrees with Customs that automation can result in efficiencies and better use of human resources. However, given the Automated Commercial Systems' current and projected capabilities, it cannot replace qualified import specialists or inspectors. A computer program cannot examine goods, classify merchandise or issue rulings. Customs must recognize that machines can only assist human functions such as inspection and analysis, not replace the humans who perform those functions.

Drug enforcement is a major part of Customs' mandate but trade facilitation is also the Service's responsibility. Members of AAEI have as much a stake in drug enforcement as anyone else. Likewise, AAEI members have a great stake in commercial enforcement, as dishonest importers cause their law-abiding competitors as many problems as they cause Customs.

Unfortunately, the prevalent attitude which can be described as almost an "ideological fervor" of the U.S. Customs Service, from Headquarters to the field, is to assume importers are guilty until proven innocent. Customs is treating honest U.S. businessmen, who sometimes make honest mistakes the same as drug smugglers. This attitude has lead to an unhealthy fear of

Customs by legitimate businesses. This fear can best be highlighted by our members' hesitancy to complain publicly about Customs or to complain directly to the Service, for fear of retaliation by Customs in the form of increased, unwarranted inspections resulting in delays and greatly increased costs.

This "Us versus Them" attitude has had other effects as well. Members have been commenting to AAEI for years that the morale of the Customs field personnel is terrible. In the last eight years, many of the most experienced people in U.S. Customs, many of them career personnel, have quit or been demoralized. What has slowly filled the vacuum are inexperienced people, unversed in classification and valuation of merchandise with little encouragement from upper management to become experts in their product or the importers' business practices. AAEI has heard repeatedly that merit raises for Customs personnel are based on that person's enforcement statistics regardless of whether reported cases have merit or ultimately result in penalties. Whether or not this is strictly the case, it is very clear that career advancement comes from enforcement emphasis rather than trade facilitation.

Particularly troubling is the fact that importers are forced to fund Customs' overemphasis on enforcement. The merchandise processing fee (MPF) was intended to cover the cost of and raise the level of service of commercial operations -- that has not happened. Although the appropriation for commercial operations finally has been increased to match the amount in the MPF fund, the money collected through the MPF sits in the general treasury and has not been used as intended. Customs therefore is allowed to use the appropriation money as it sees fit, which has been translated into increased enforcement, not trade faciliation. Not only should government bear the cost of government mandated programs but the budget must be increased in order to provide a partial resolution to these other major problems:

INADEQUATE STAFFING

Despite the personnel and budget increase mandated by Congress last year, AAEI members from across the country consistently complain about the inadequate numbers of Customs personnel to do the job with which they are charged. The shortfall in Customs staffing is evident in the field and Customs Headquarters and pertains not only to management level but also to support and clerical staff.

Across the country, Customs does not have enough staff to answer the phones, or do the necessary typing/word processing. U.S. business must abide by Customs rules and regulations, but frequently cannot get through to ask a question or clarify a procedure. Similarly, many of our members have had to wait days or weeks to obtain a notification of action or lab report "which is in typing" while their merchandise sits on the dock and the expense builds up.

Headquarters continues to trim its staff in the Office of Rulings and Regulations despite a rising number of ruling requests in anticipation of the implementation of the Harmonized Coding and Commodity Description System in January 1989. And due to Customs misguided commercial seizure policy, the Fines, Penalties & Forfeitures branch is overworked and simply cannot keep up with the paperwork. The FP&F branch also has responsibility to process Customs' seizures under the "Zero Tolerance" program of drug enforcement. As the House Merchant Marine & Fisheries Subcommittee on Coast Guard and Navigation heard on May 26, the backlog created by poorly thought out programs is enormous.

Compounding the lack of staffing is Customs policy of rotating staff at all levels. While it may be a good idea to expose Customs personnel to different areas of operation, the policy should be implemented with logic and a clear understanding of its impact on the business community. Customs efficiency and business certainty are undercut when a Custom employee is shifted through two or three positions a year.

The United States Customs Service appears to have no concept of the private sector where promptness is an essential element of any successful operation. An example is found in the ports. The sections that handle importers' protests of classification are incredibly backed-up, especially in Los Angeles and San Francisco. Customs personnel are working hard but just cannot keep up. There is a delay of 8-10 months before the protest is processed to the import specialist level. If the importer has requested review of the protest by the National Import Specialist and Headquarters it most likely means that a decision on the protest will not be available for one and a half to two years from time of protest. This delay keeps necessary capital away from business whether or not a violation is the final verdict.

The solution to the staffing problem is relatively simple -- Hire more people for commercial operations and allow them to gain experience in their jobs before they are moved. Customs has informed AAEI, however, that their recruitment is suffering because of low salaries paid in high-cost areas. AAEI sympathizes with Customs and asks that the recruiting problem be reviewed, so that the Service can attract and retain quality employees. .

CUSTOMS SEIZURES UNDER 19 USC§1595(a)(c)

AAEI members believe that Congress did not intend to fund ill-conceived programs such as Customs seizures under 1595a(c). With little explanation or proof as to why new seizure authority is needed, Customs is "shooting first and asking questions later," ignoring due process and harassing honest U.S. businesses. When asked why this new seizure authority was needed, Commissioner von Raab replied, "Because it's easier." AAEI agrees that it is easier to seize rather than detain goods but that does not make it acceptable. It is easier to seize, forcing the owner of the goods to pay Customs for their release, thus building up the Service's seizure and penalty collection statistics, rather than listening to an explanation as to why the goods may or may not be in compliance with the Customs laws. It is easier for Customs simply to declare that an importer is guilty of a violation rather than go through the procedures provided in section 1592.

The seizure authority was added by the Anti-Drug Abuse Act of 1986. Congress had asked Customs to submit a list of authority or changes needed to existing laws to better enable Customs to fight drug smuggling. Customs saw its opportunity to circumvent §1592 by adding language to section 1595a which would allow them to seize any merchandise attempted to be imported which was "prohibited or restricted". The trade community expressed its concerns to Congress that since some commercial merchandise is restricted (e.g. quota merchandise such as cheese, steel, textiles and apparel) it should be made clear that the provision was to apply only to narcotics and narcotic-related goods, and was given a reasonable assurance that was how it was to be. The word "restricted" was dropped, but the committee writing the report language in September 1986 also replaced "prohibited" with "contrary to law" and asked Customs to write the report language for the new subsection c. Customs added that the new authority could be used to forfeit prohibited commercial merchandise such as "coffee and automobiles". Subsequently, when the bill was debated on the House and Senate floors in October 1986, the trade community was successful, or so we thought, in clarifying the definition of " contrary to law" as described in this colloquy between Senators Harkin and Biden:

> Mr. HARKIN:....However, it has come to my attention that we may be including in the bill a section which could have a detrimental effect on the legitimate import operations of countless American companies. Specifically, I am lookng at one section of the bill which causes me concern.
>
> If I might ask a question with regard to section 3111(5)(m) which defines "controlled substances" as "merchandise" which cannot be imported without a license or permit. As I read this bill, legitimate goods which are controlled by quota or other legal restrictions could be included in this definition. Is it the intent to include such items in this bill?
>
> Mr. BIDEN: No. The focus of this bill is to attack the importers of illegal substances not legitimate importers. The intent was not to include legal merchandise under the definition of controlled substances, rather the intent of this bill was to control the importation and trafficking of illegal drugs in this country. **Further, we did not intend to put more hurdles before or cause more problems for those Americans who are in a legitimate import business.** [Emphasis added].
>
> 132 CONG. REC. S16497 (daily ed. Oct. 15, 1986)

Customs has ignored the intent of Congress by using §1595a(c) to seize and forfeit commercial non-narcotic related, non-prohibited goods.

The problem is not only Customs' interpretation of the seizure authority, but also in its implementation. Customs is using §1595a(c) when section 1592 can and should be used, contrary to the express language of the statute itself. For example, marking of merchandise has always been considered subject to §1592 procedures and penalties. Customs own guidelines instruct its personnel to use §1595a(c) to seize mismarked merchandise, even though there may be a violation of §1592.

The administrative delays and confusion caused by Customs use of the seizure authority remains, despite revised guidelines on its use. Although Customs seizes an importer's goods immediately, the notification to the importer of the seizure has taken as long as two months and a final resolution of the case, a year. Customs just does not have the staff to administer its misguided policy.

INCREASED IMPORTER COSTS

An importer is not given a choice of whether to comply with Customs rules and regulations. AAEI members have no complaints about the regular costs of Customs clearance. However in the past few years, Customs has initiated new programs, usually without much input from the trade community, which initially caused horrendous delays in clearing goods and unwarranted, additional costs. An illustrative example is the Centralized Examination Station program.

Customs has mandated that in each port, importers whose goods have been selected for inspection must move those goods to one of a few inspection sites. Customs has engaged independent contractors to operate the examination stations. When the CES first opened importers suffered delays of one to two weeks and incurred thousands of dollars in demurrage and devanning charges. The inordinate delays have been eased in most locations, but undue costs still persist since the importer must pay to transport his merchandise to and from the CES facility and pay a charge to the CES operator for the "privilege" of using the facilities. AAEI members have asked why the cost of the Customs- mandated service can not be paid by Customs out of the merchandise processing fee collected to fund commercial operations. Customs illogical answer is that although it mandated the CES program and contracted for the operator, it is not the operator of the CES and it does not control the costs.

Another Customs initiative which may impose extraordinary costs on importers is the Trade Inspector program to be established in the N.Y. Seaport on July 1. Contrary to other programs, Customs is discussing how best to implement the T.I. program with importers and customsbrokers. However, the guidelines issued by the N.Y. Region call for 100% devanning when a shipment is selected for inspection. This will result in an extra cost of hundreds of dollars per container to the importer, not including a possible demurrage charge. Importers pay duties and a user fee, it is not too much to ask that the costs of all Customs mandated programs be paid by Customs.

Customs' unresponsiveness to the very people who fund their operations -- Congress and the trade community -- is underscored by its recent attempts to "end-run" around it statutory responsibilities. In December 1986, Customs published a Notice of Proposed Rulemaking which would have changed the definition of Customs fraud to eliminate the requirement of "intent to defraud" in §592. The requirement of intent as found in the Customs regulations is a prime component of the three degrees of culpability found in section 592 of the Tariff Act of 1930, as carefully amended by the Congress in the Customs Procedural Reform Act of 1978. Although Customs received over sixty written comments opposing the unjustified change, the NPRM still has not been withdrawn.

In the fall of 1987, Customs published a NPRM which would have charged importers with Customs violations if the importer after any sort of inadequately defined "written notifications", entered the goods under a classification different than Customs "suggested". U.S. law specifically mandates that it is Customs duty to ascertain the proper classification. It has long been settled that an entry summary cannot be false as long as the merchandise is accurately and completely described on the invoice and entry summary. Customs is once again attempting to increase its enforcement authority by shifting its statutory burden on to the importers. Of further concern is the Commissioner's comment at AAEI's Annual Meeting in May that there is a proposal under consideration within Customs to seek legislation to place the burden on the importer to classify goods. AAEI sees a major confrontation emerging with such a proposal. If Customs retains the final word on the accuracy of a classification and penalty powers, the importers will be in the ultimate "no-win" situation.

LACK OF PUBLISHED RULINGS

AAEI and its members wish to emphasize their concern over Customs' seeming attitude that they have no obligation, or that it is inefficient, to provide information voluntarily to the people who are required to deal with the Service. A prime example is found in the Customs ruling process. Customs encourages importers use of the ruling process to provide certainty in questions of merchandise classification and valuation. Although Customs continues to "publish" rulings, publications increasingly are made more difficult to access. In 1987, only 22 Customs Service Decisions were published in the Customs Bulletin. In 1979 that number stood at 475. Some decisions are still published on microfiche, but fewer are published, at a later date. Customs has stated that rulings will be soon available on Lexis, a legal computer search system, but that system is even more costly to the importer than microfiche.

Another problem with Customs rulings is the turnaround time. AAEI members have reported that while noncontroversial ruling requests in New York are answered within 2-3 months, 6-9 months is the norm when the request involves questions of law or fact with any real substance. Increasingly, there are delays of 1-2 years and more, most likely due to the cutbacks in the Office of Regulations & Rulings. As discussed above, it can be two years before a protest with a request for further review ever reaches New York or Washington.

Of special concern is the current interruption of rulings issued in the classification nomenclature of the Harmonized System. Customs announced last summer that beginning 9/1/87, ruling requests would be answered using both the TSUS and HS nomenclature, in anticipation of the HS becoming effective. Customs began a monthly subscription service, making available a month's worth of HS rulings. For some unknown reason, Customs has not published the monthly HS service since the beginning of this year. This failure, combined with the inordinate delay in the ruling request turnaround time, not only deprives the trade community of the information it is entitled to, but will create even more work for Customs beginning January 1, 1989 as the U.S.-Canada Free Trade Agreement, certain GSP changes and hopefully, the Harmonized System all take effect at once. Further, Customs continues to call its HS rulings "non-binding" with no proposed procedure to convert them into binding rulings.

CONCLUSION

Mr. Chairman, members of the committee, the members of AAEI urge you to exercise your authority to remedy Customs lack of responsiveness to legitimate importers concerns and needs. Although new, automated initiatives may improve Customs efficiency, equal access to the programs and Customs information must be maintained for importers and brokers, especially the smaller ones.

AAEI members uniformly believe that Customs' overemphasis on enforcement has negatively affected its commercial operations and honest U.S. business. As the problems detailed earlier evidence, the trade community is paying more for less -- less information, less staffing and less service. Customs has not hesitated to change, with inadequate notice or with no notice at all, long-established practice and procedures. AAEI importers pay the lion's share, through duties and user fees, of the expense of the operations both as importers and taxpayers -- they are entitled to a major improvement in service. AAEI requests that Congress restate to Customs that Customs has a mandate to facilitate trade and is not to impede all legitimate trade. Focused enforcement efforts benefit everyone, especially AAEI members -- honest U.S. importers and exporters. "Enforcement at all costs" however, encumbers real enforcement and vitiates cooperation between the trade community and Customs.

The membership of AAEI stands ready to work with this committee, to ensure that budget funds are used for commercial operations, not just enforcement and to restore the relationship between Customs and the community it serves.

TESTIMONY OF M. SIGMUND SHAPIRO

Mr. Chairman: I am M. Sigmund Shapiro of Samuel Shapiro & Company, Baltimore, Maryland and a member of the Board of Directors of the National Customs Brokers and Forwarders Association of America. I am pleased to appear before you today as spokesman for America's customs brokers and ocean freight forwarders.

While freight forwarders are largely concerned with the exportation of goods overseas, customs brokers serve as the primary interface between the U.S. Customs Service and the broker's client - the importer. We provide a wide range of services to this customer - preparing documentation, collecting duties, filing papers and payments with the government, and a myriad of other detailed transactions. We are not only the importer's agent to Customs, we are his facilitator, his consultant, his expert on commercial trade. Contrary to the notion that automation will phase out the need for a customs broker, the ever-increasing complexity of the business of importing guarantees our future. We have been in business since the time of the Phoenicians. Surely we can expect our services to be essential to our customers for as long as we can imagine.

As customs brokers, our priorities are clear: the importer is our first responsibility and our relationship with Customs is ever based on the pursuit of his best interests. To the extent that Customs programs and practices are counter-productive to that end, you will hear brokers complain to Congress and it is in this context that we appear today. Customs could be doing a much better job in collecting revenues and facilitating trade. Many of the other witnesses have illustrated that. As the person closest to this problem, a broker will reinforce this point instantly.

While Commissioners come and go, the most consistently lingering problem is that the Customs Service is so reliant on symbols, easy answers and appearances that the agency fails to attack the task of getting the job done -- by thinking through its ideas to ensure that they can succeed and by minimizing cost and confusion rather than creating it.

There are many, many examples of this and it may be instructive to identify a few:

1. CES or centralized examination sites are publicly-contracted, private-run facilities where cargo is routed for inspection. Rather than customs inspectors roaming over miles of dock and warehouse space to locate the goods to be examined, Customs developed a plan for centralization that seemed to make sense. The Washington, D.C., formula did make sense in the seaport of Los Angeles: centralization improved processing time, focused movement of inspectors and provided a more orderly system. It did not make sense in New York's JFK Airport, as GAO found. An airport is inherently centralized and transfer of goods to an off-airport site decentralized the transportation process. It exposed goods to pilferage, had enormous costs in time and money, and drew the enmity of carriers, brokers and Treasury employees alike. It made no sense in Laredo, where border delays are only exacerbated by a system of separating cargo at the line for diversion elsewhere. In fact, CES works only where the agency takes pains to listen to commercial sector ideas and adopt those that make sense. A "formula approach", together with a lack of predictability in its operation, have proven a poor mix - as you in the Congress concluded last year. A GAO audit has only begun to scratch the surface, but will ultimately fall far short of rationalizing Customs' dogged insistence on a formula for centralization that looked good on paper but is impractical in application.

CES had the following ingredients:

A) As we said, it illustrates the romance that Customs has with "centralization" even where the practical effect is quite the opposite.

B) CES was a program conceived in Washington and imposed locally, ignoring the communities' comments and criticisms.

C) It shifted traditional Customs costs of operation to the private sector even though trading interests began to pay a user fee almost simultaneously for just such a purpose.

D) CES, in many instances, created delays and new burdens on the smooth flow of cargo through our ports.

Fortunately, Mr. Chairman, the Finance Committee, principally through the efforts of Senator Moynihan, suspended some CES operations and commissioned a detailed GAO study to see where changes are needed. That study is not yet complete and we will ask the Committee to continue the suspension through the end of this year.

2. Selectivity is at the heart of Customs enforcement operations. In a nutshell, it is the automated decision as to where to examine cargo. Within the Automated Broker Interface (ABI) system where brokers process import entries through an automated communication link directly to Customs, the program maintains a profile on importers, foreign manufacturers, products and the like, to determine where there is some likelihood that Customs laws may not be being observed. Based on the entry, the system may then call for an intensive examination of the imported merchandise. This is a costly and time-consuming process -- for both Customs and the importer -- but is invoked as a necessary element of law enforcement.

The increasing reliance that Customs places on "selectivity" to make its decisions is of concern to many trade professionals. While admittedly Customs cannot make coherent, thoughtful decisions about all the cargo that it must examine, there is good evidence to show that this automated system is becoming less a tool to enhance decision-making by the Customs Service, but increasingly a substitute for that process altogether. In other words, Customs is becoming a captive of its own automated processes. There is less and less opportunity for inspectors to override this automated judgment and more and more instances of automation run amuck.

A case in point: one importer in Atlanta filed 17 entries in May for footwear. "Selectivity", apparently premising its judgment on the TSUSA (or classification) number, called for examinations in at least one container out of every shipment. Customs examined 55 of 75 containers and in one shipment, 10 out of 10. The cost to the importer for moving his goods to the examination site was approximately $100 per container. Additionally, examination charges ran $15-250 per container depending on the intensity of the exam. The bottom-line? Customs found nothing.

In another case involving machine parts (tractor and diesel engines), Customs selectivity called for examinations on an average of 4 times per week for almost 4 months. Again, Customs found nothing.

Our experience with selectivity produces the following conclusions:

1) Customs reliance on automation creates instances of costly and irrational results. That is clear.

2) The Service does not dedicate sufficient manpower to maintaining its automated systems so that their results can be reliable. In these examples, an update of the selectivity criteria would have prevented Customs examiners from running up blind alleys and permitted them more time, better spent, for examination.

3) An interspersion of the human element in an automated process is critical. Customs' view of a totally automated world needs an adjustment towards practicality.

3. Availability of Import Specialists. At the heart of Customs and its efforts at enforcement is the Customs import specialist, an individual who has become expert at compliance and whose function it is to make certain that entries can be filed with certainty and confidence. As the recent McKinsey Report properly concluded, the greatest single concern in the commercial sector is predictability. Consultation with an import specialist has historically brought this important ingredient into reality. For the customs broker, this is a person who can provide reliable, technical advice on a classification, to facilitate the correct processing of documentation and payment of duty. From our perspective, it frees our clients of the danger of penalties and seizures, while from Customs' point-of-view, it minimizes avoidable error and permits the targeting of Customs' resources towards actual incompetence or wrongdoing.

In recent years, Customs had de-emphasized its role in assisting importers towards compliance and has instead resorted to increased reliance on the heavy-handed tactics for which it has become notorious - huge penalties and seizures. In many instances, the punishment vastly overshadows the violation. As to the import specialist, his ranks have shrunk and his availability has been reduced. Uniformly, across the country, customs brokers are experiencing a sharply reduced resource. Staffing levels are down, with a consequently sharp upturn in workload. It is little wonder that calls to an import specialist are greeted with the inevitable "busy" signal. Phone messages left on recordings are often unanswered for 48 hours. Flex time has permitted workdays to end at 3 p.m. -- usually inconsistent with that of the commercial sector. And, recently, Customs has taken to establishing prime working hours of the day as "quiet time" where the Service has purposely made the import specialist unavailable to the public. Then, to compound the shortfall, the agency has created incentives within its personnel system to steer qualified personnel away from this function and to motivate those filling that role to an enforcement orientation rather than a compliance orientation. This has resulted in degradation of the quality of those answers when they are received. For example, knowledge of the countervailing duty rulings and retrieval of such rulings through the import specialist are inadequate.

What do we conclude?

A. Customs reliance on automation and its zeal for enforcement have short-changed this valuable spokesman for voluntary compliance.

B. The public relations value of drug enforcement and high-profile seizure has caused less publicized avenues for reaching the same objectives to suffer.

C. People - especially those representing institutional knowledge and expertise - cannot be casually replaced by computers.

4. Exceptional treatment for couriered shipments has created severe competitive disadvantage for customs brokers, but equally important to Congress threatens to degrade compliance and enforcement processes to the detriment of both the Customs Service and importers alike.

Through two rulemaking proposals in late 1987. Customs has acquiesced in a new filing system and provided new service features for couriers that, on the surface, position the agency as exponents of modernity. . Customs argues that it should not be a factor in the economic market place and therefore should expedite, not impede, progress towards new transportation and delivery systems. Wrapped in the flag of progress, Customs threatens the undoing of an effective system of compliance and, in fact, tilts the economic balance towards an alternate delivery mode that is not really new.

First, courier services (now termed "integrated carriers") are little more than the linking of transportation modes to establish door-to-door delivery. As Flying Tigers and Delta are proving, there is nothing unique about Federal Express or UPS that cannot be duplicated by the linking of ground delivery to an air cargo operation.

What then has Customs done to turn its procedures on their head? Documentation is no longer to be predicated on an importer providing correct information for which he will be held ultimately accountable. The primary information for import processing comes from the shipper, not the importer. We see this as degrading the reliability of entry data, basically because the overseas-based shipper is significantly less accountable to Customs than is the importer and his broker. Specifically too, we see the following increased risks for the importer;

A. Section 592 of Tariff Act of 1930 as amended (19 U.S.C. 1592) provides in general for personal penalties (and in some cases seizure of the goods) if the goods are entered or introduced into U.S. commerce by means of any document, written statement, or act which is material or false, or any omission which is material. The statute also provides for personal penalties for those who "aid or abet" any violations. Thus, it is possible that the importer (ultimate consignee/purchaser) of goods entered via the courier process may be accused of a violation of Section 592 even though he had no actual participation in the courier's entry, nor was even contacted in advance of the entry with regard to the entered rate, declared value, etc.

B. An even more stringent statute, 19 U.S.C. 1595a, provides for the seizure and forfeiture of goods which are introduced or attempted to be introduced into the United States contrary to law (other than in violation of Section 592). Since enactment of this provision in 1986, the Customs Service has proven quite eager to use this new authority, and there is nothing whatsoever in the statutory language to prevent Customs from following the goods into the hands of the importer and seizing them even though he had no knowledge of entry details and was himself innocent of any wrongdoing in connection therewith.

C. Additionally, on behalf of other agencies, Customs enforces approximately 400 statutes placing restrictions and conditions of one sort or another on imported merchandise. Many of these statutes also contemplate tracing non-complying merchandise into the hands of the ultimate consignee and imposing punitive action against the goods, or their owner.

D. Under Public Law 97-446 of January 20, 1983, the owner or purchaser of the goods is primarily responsible for preparing and filing the required entry documentation [19 U.S.C. 1484(a)(1)(C)]. Alternatively, a broker may be "appropriately designated" to do this, by the owner or purchaser or consignee. However, Customs' failure to promulgate implementing regulations adequately ensuring that couriered shipments will be entered by a broker designated by the owner or purchaser has fostered the couriers' practice of routinely entering goods via the couriers' own brokers. In practical effect, this means that the owner or purchaser will rarely be contacted prior to entry to obtain information required to ensure proper entry, or even be timely advised that the shipment is being entered by a particular courier/broker under a particular TSUSA number, etc. Consequently, the importer has little, if any, chance to specify the correct entry data, or ensure that special conditions or restrictions on the imported goods have been properly complied with.

Another element of our concern is the availability of Customs commercial services to all sectors of the air cargo industry, not just the select few. Reduced documentation requirements may cast the appearance of cutting paperwork, unless they are only enjoyed by so-called courier services. Twenty-four hour service may seem like Customs' responsiveness to commercial sector needs, but, if this service is withheld from traditional carriers, it serves only to advantage a distinct minority. These are issues that the Advocate's office of the Small Business Administration addressed when they opposed Customs' plan to implement its December courier rulemaking proposal. And, these are issues that brokers address as they see their importing clients driven towards one form of cargo delivery service by a self-styled "market-place neutral" agency.

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Mr. Chairman, NCBFAA would also like to take this opportunity to comment on proposed revisions to the ad valorem user fee being circulated by Customs.

NCBFAA opposes these changes for several reasons:

1. Our association has always opposed this user fee, since it is a tax and nothing more. While there may be a perfunctory effort to draw relationships between the fee and customs cost of commercial operations, it is solely designed to enhance revenues and reduce our national deficit. We support both objectives, but believe that this fee has nothing to do with improved services and merely represents an impediment to international commerce.

2. If a user fee were appropriate, only an ad valorem fee is simple enough to work in practice. A transaction fee invites a multitude of avoidance devices that serve only to encumber customary commercial processes and transactions. A fee such as that suggested by Customs is so complicated, so burdensome on administrative personnel, and so cumbersome in many areas of commerce that it would be impossible to institute.

3. Customs has asked for carte blanche in determining which transaction to select and what fee to levy. This is a tax-raising function that belongs to the Congress. To place such a power in Customs' hands would put many industries and many businesses in great economic jeopardy.

4. Customs also proposes to undo many of the vital reforms in the user fee accounting process that this Committee has instituted over several years of experience with a funding mechanism that did not work. Overtime, for example, has not been a problem for the Committee this year, for the first time in memory. OMB's constraints would again supercede Congressional intent for these dedicated funds.

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Mr. Chairman, NCBFAA is grateful for this opportunity to testify on behalf of its clients, the importing public. We look forward to exploring these and other issues with the Committee as it continues its review of Customs commercial operations.

Testimony of
Tom Zelenka
Port of Portland, Oregon

Mr. Chairman, Senator Packwood, Committee Members. Thank you for considering the Customs uniformity issue today.

While testifying on behalf of the Port of Portland, I will also convey the position adopted by the Western States Coalition for Effective U.S. Customs Service on this particular issue. Joining me is Eric Stromberg, President of the American Association of Port Authorities, of which our Port is a member, and which, as a national organization supports the need for uniformity of customs procedures and practices at ports nationwide.

We wish to state at the outset that the problem of lack of uniformity and inconsistent Customs decisions, and the port shopping that it has induced, i a difficult problem to address. We are pleased that Senator Packwood has taken the initiative to address this serious problem in what we believe to be a very effective manner. His bill, S.1926, would allow ports to compete based upon efficiency of operations, with the efficient ports providing and generating economic benefits for the entire community. Thank you, Senator Packwood for your attention to this problem which has plagued the Port of Portland and all other ports nationwide.

I. Lack of Uniformity in Customs Practices and Decisions: The Problem

You have before the Committee what we believe is a good solution -- S.1926, introduced by Senator Packwood in December, 1987. Let me describe the problem for the Committee.

To summarize, the problem is that inconsistent decisions made by Customs officers in the various ports of entry have caused importers to select ports based upon the degree and nature of Customs enforcement. We believe that Customs laws should be applied uniformly, and their implementation should not become a competitive factor between ports. Importers who are forced or induced to incur additional transportation time and costs in order to gain a more desirable Customs decision at another port of entry, are operating less efficiently then they would otherwise, and the cost of this inefficiency are lost jobs in the ports from which the cargo was diverted and increased costs to consumers.

At this point I would like to provide you with some examples of the problem. These events have all occurred in the recent past, and are quite typical. We do not say that Customs should not enforce the law nor fail to appropriately apprise, classify or value commodities; we are however saying that Customs must treat the same products the same way regardless of which port is used for importing.

The first example involves an importer of fish net material whose product was denied entry at Port A due to use of an allegedly incorrect category number. The importer uses the netting to manufacture a product here in the United States. The netting was held at the dock. Meanwhile, in neighboring Port B, a competing importer was able to enter precisely the same product with precisely the same category number. Port A and Port B Customs officials were alerted to the inconsistency, but entry continued to be denied in Port A, and allowed in Port B. An accelerated review was requested. Meanwhile importer A, his netting still held hostage, was accumulating storage costs, losing orders and customers, and was even forced to purchase, at a hefty premium, the same netting from his competitor who was using Port B. Four months later, the "accelerated" review was completed. Customs headquarters concluded that the category number was correct, and the netting was released. The damage had been done to the importer and the port.

The second example involves a company which was importing a certain high tech electronic product. Competitors were importing precisely the same product through other ports. A U.S. patent infringement initiative had been brought against the imported product. Importer A utilizes Port A. Customs officials at Port A impounded the product pending resolution of the patent infringement claim. Meanwhile importer B continued to import the same item through Port B where Customs staff stated that the patent infringement did not apply to this product. In order to fill customer orders, Importer A, whose product was still impounded in Port A, was forced to purchase the precise same product from his competitor (Importer B) who was able to continue to import the product, and of course attach a premium when he sold it to his competitor Importer A.

A third example would be the experience of an importer who had imported a product for five years, whereupon Customs officers claimed that the country of origin markings were not in compliance with Customs regulations. Meanwhile the importer, a large national company, continued to import the same product with the same country origin markings through other ports, without any claims of violations.

A fourth example is that of an importer who found that textiles seized in an apparent quota enforcement action were mutilated, while the same products were not seized upon entry in another port. In yet a third port the products were seized, but only tiny holes inserted in an inconspicuous area of the garment.

These examples are not unusual.

Further, it has been reported to the Deputy Commissioner of Customs, and he has alerted his staff, that Customs processing in the Port of Baltimore is alleged to be more stringent and demanding than at southern locations, and further, as a result, two large importers have transferred their importing activities to other locations, i.e., the Ports of Richmond and Savannah respectively.

As another example, along the Gulf Coast, we understand that products have, from time-to-time, been diverted from Houston to New Orleans in search of a more conducive Customs environment.

In a major study commissioned last year by the Coalition of West Coast Ports (the Western States Coalition for Effective U.S. Customs Service) the following conclusion was reached:

> "70% of the (Customs) broker community believes that Customs' policies, procedures and regulations are not applied uniformly across districts. 23% feel the procedures and regulations are sometimes applied uniformly and only 7% think the policies and regulations are uniformly applied. The trade's complaint regarding uniformity relates primarily to classification items, marking requirements and copyright and trademark enforcement...Customs house brokers cited numerous instances of differences in ruling or requirements between the different Customs districts. This lack of uniformity among districts reflects importers switching ports to those which are "easier" on their merchandise."

Port hopping or port shopping in search of more desirable Customs enforcement and interpretation is illegal. I submit that it would be much more desirable for the application of Customs laws to be uniform at all ports so that those companies would not be forced to select ports based on inefficiency of government law enforcement. However in meeting consumer demand, importers must compete with the other, and have no choice but to seek Customs treatment which puts him at parity with other importers of competing products.

Ports are placed in a particularly difficult situation in that we can improve our labor and management efficiency, improve the facilities we offer to carriers and importers and exporters, and reduce the fees we charge for those services and facilities, in order to compete with other ports. While this competition reduces overall transportation costs to U.S. exporters and importers, benefitting U.S. consumers and U.S. industry, the lack of uniformity of Customs enforcement creates a different kind of competition. It is a competition not based upon efficiency, one which increases transportation and distribution costs for U.S. importers, and thus the final price paid U.S. industry and consumers.

We are not advocating lenient treatment. We are advocating uniform treatment. Such practices must not become a competitive factor in either making a business decision on which port is to be used, or which importer the U.S. industry or consumer should buy their goods from.

II. Current Mechanisms Available to Importers Seeking Uniformity

After clearly establishing that the problem existed, we attempted to determine whether any existing mechanisms exist to address the uniformity problem. Existing procedures do exist, but they do not work. We found that the timely resolution of inconsistencies among ports is the key in preventing "port hopping" and the resulting diversion of cargo. Existing procedures provide neither a timely nor a cost-efficient means of resolving inconsistencies.

Prior administrative rulings and "advices" can be obtained for prospective transactions, but often the problem relates to an unexpected change in the local Customs district interpretation of the regulations relating to the products which the importer has already been importing. Once the initial appraisement, classification, evaluation and duty assessment is made a protest may take up to two year. Accelerated review is, according to the regulations, available in limited circumstances, in fact, an importer who wishes to protest must be prepared to spend a significant amount of time and money in pursuing his claim. As mentioned earlier in a not unusual case, accelerated review took 4 months. Further judicial appeals to the Court of International Trade can last several years. There is no set time limit on an "advice" and Customs may refuse to even consider it.

Thus the existing mechanisms leave importers two choices: either quietly divert cargo to another port in search of a "better" Customs environment, or through attorneys who can maintain the confidentiality of their clients' identity, advise Customs of the preferential treatment being received by their competitors.

Of course the losers are the ports who may compete for cargo and are left to wonder why the importer has chosen to utilize another port, the consumers that pay for the inefficient cargo diversion, and the taxpayers and the U.S. Treasury which lose revenue as importers are forced, by market competition, to find the port of entry with the lowest Customs duty, fewest inspections, more lenient interpretations.

III. S.1926

We support S. 1926 precisely because it provides a mechanism which importers will use, instead of simply shopping for another port. The bill has two objectives: first, to allow an importer, broker or port to assure that Customs practices and decisions are uniform within a region, and thus eliminate the incentive to port shop. Secondly, to provide this uniformity in an timely and cost-effective manner so as to make this mechanism, unlike the existing one, practical, and thus utilized.

A. Regional vs. National Review

The West Coast Ports compete primarily among themselves, and to a much lesser extent with the Gulf and East Coast ports. Since all West Coast ports are in the same Customs region, in order to obtain a timely determination and resolution of inconsistencies among the ports, it would be sufficient on the West Coast, to limit, at least initially, the review to the regional level.

However, ports along the Atlantic and Gulf Coasts are divided into various Customs regions. Thus regional review may not be sufficient to eliminate inconsistencies among competing ports on those coasts. For this reason we are amenable to working with cargo interests, customs brokers and ports nationally to elevate the review to a national level, as long as the second objective, timeliness, can still be obtained.

B. Review Period

Secondly, S.1926 requires the regional Customs Commissioner to resolve inconsistencies within 72 hours of application. There is no question that this is a very short period of time and that the Customs Service is uncomfortable with it. However, we are not asking Customs to make a new classification determination or practice guideline in response to each application. We simply believe that Customs need only compare the two apparently inconsistent activities and select the one which is appropriate, directing the officers responsible for the other to conform with the regional directive. With the availability of overnight delivery of samples to regional or national headquarters or national import specialists, we believe that a short time period is realistic. We are aware, however, that others who wish to address the problem of lack of uniformity believe that the short time period may force Customs into an unproductive defensive posture. Thus we are again eager to work with all interested parties to arrive at an appropriate time period. We do reiterate, however, that in order to provide an effective alternative to continued port shopping, the review period must be as short as possible.

Conclusion

This Committee has taken an aggressive stance in seeking to provide additional staffing to meet the continuing dramatic growth in the volume of cargo moving across port terminals nationwide. Senator Packwood's efforts in this regard have benefitted the entire Pacific Northwest and we are extremely grateful to him and to others on this Committee. Lack of staff has caused, in some ports, somewhat less scrutiny of imported products than at other ports. We continue to support, as does the Western States Coalition, increased staffing in the Commercial Operations section of the Customs Service.

However, differences of opinion between Customs officers at competing ports as to for example, the appropriate size of Rule of Origin markings, "stuffed" versus "filled" toys, impoundment of products possibly subject to patent infringement actions, classification as plastic versus vinyl, the need to "devan" (that is open and unload a container), the treatment of textile imports which are "seized" pending determination of quota violations, are not related to staffing levels. They relate to a problem of any law enforcement agency -- that individuals will use their discretion in applying the law. In the case of imports, however, this discretion is costing the U.S. Treasury lost revenues, dollars, increasing consumer costs, and creating a very undesirable means by which ports compete with one another. S.1926, if enacted would provide an excellent means by which to eliminate discrepancies, discretion and other inconsistencies. We stand ready to work with this Committee to work towards enactment of a practical mechanism to address the lack of uniformity problem.

SENATOR JOHN HEINZ

HEARING ON CUSTOMS BUDGET AUTHORIZATION

June 16, 1988

Mr. Chairman, while I will have a question or two for Customs on some specific matters, at this time I only want to note for the record my continuing interest in a more effective means of dealing with customs fraud. As you know, my private right of action amendment was dropped by the conferees on the trade bill, which means that legislation, if it is ever enacted, will do nothing to improve our fraud enforcement efforts.

Unfortunately, the need for stronger action on fraud is becoming more obvious every day, and I hope the Committee will recognize that when it takes up this year's Customs authorization. I certainly intend to pursue the subject at that time, although perhaps not with the same proposal that was in the Senate trade bill.

COMMUNICATIONS

REGARDING

CUSTOMS SERVICE BUDGET AUTHORIZATION

ON BEHALF OF THE

AMERICAN CORDAGE AND NETTING MANUFACTURERS

On behalf of the American Cordage and Netting Manufacturers, an incorporated nonprofit association dedicated to a strong American Industry, and the Cordage Institute, an incorporated nonprofit association dedicated to quality products crafted with pride, together representing domestic manufacturers of cordage and netting, we appreciate this opportunity to present for your consideration a nagging problem related to the lack of appropriate enforcement of a classification determination by the U.S. Customs Service ("Customs").

Background

In response to a Domestic Interested Party Petition (following 19 U.S.C. 1516(b)), Customs issued a ruling (T.D. 85-183, November 24, 1984; copy attached at A) which stated:

> ...polypropylene rope and twine made of fibrillated film or strips which in their condition before fibrillation are over one inch in width are properly classifiable under the provisions for cordage of man-made fibers in items 316.55 and 316.58, TSUS.

Since that date various shipments of these products have entered the Customs Territory of the United States classified as plastic n.s.p.f. and not as cordage of man-made fibers. The confusion at the ports has been so great, we have requested a letter ruling re-affirming the 1984 Customs determination. Meanwhile, product from many countries is entering the United States duty- and quota-free in contravention of Congressional directives.

Current Situation

It is our belief that once polyolefin is oriented, fibrillation, a naturally occurring process, takes place (See summary attached at B). Based upon tariff classification history and the Customs ruling, supra, all such items should be classified as cordage.

Unfortunately, many shipments of these products are not so-classified, but rather enter as "plastic strip" or "plastic components" or "plastic material not specially provided for" (under the "basket category", 774.58 TSUS). Apparently, importers are wrongly claiming that unless Customs inspectors can see the fibrillation, the polyolefin is not fibrillated.

Because separate, itemized import statistics within the basket category are not available, we are unable to provide an exact dollar figure for these imports. We do, however, have industry estimates which place the annual volume of misclassified product at 8 million pounds. The correct duty rates for these products imported as cordage are either 8% ad valorem or 12.5 cents per pound plus 15% ad valorem, depending on diameter; imported incorrectly classified as plastic, these products face a duty rate of only 5.3% ad valorem, or enter duty-free if imported from beneficiary countries under the Generalized System of Preferences. This problem, therefore, results in probable annual losses of approximately $1.5 million to the U.S. Treasury Department in the form of foregone tariff revenue (on products whose average price per pound at importation is $1.17).

Relief Sought

While keeping in mind the increasing vital role for the Customs Service in the battle to stop the drug flow, we wish to provide information to the Committee to assist in its assessment of the adequacy of Customs means for carrying out its job with regard to trade flows. As the above comments clearly demonstrate the loss to the U.S. Treasury is large when resources are not directed at policing appropriate classification of articles imported into the United States. We request this Committee to provide adequate resources to the Customs Service for this function, vital to the health of American Industry, and direct that they be used for this function so U.S. Industry is not again a victim.

U.S. Customs Service

Treasury Decisions

19 CFR Part 175

(T.D. 85-183)

Decision on Domestic Interested Party Petition Concerning Tariff Classification of Polypropylene Rope and Twine

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Final classification decision.

SUMMARY: This document gives notice of a change in the tariff classification of certain polypropylene rope and twine made from fibrillated strips, which are currently classified under the provision for articles of plastics, not specially provided for. This classification carries with it eligibility for an exemption from duty under the Generalized System of Preferences for merchandise produced in beneficiary developing countries. In the case of baler twine produced in certain countries, there is also eligibility for an agricultural implements exemption. Under this change, this type of rope and twine will be classified as cordage of man-made fibers in either of two tariff schedule items depending on the diameter of the cordage. The document also advises that the tariff classification of certain other plastic twine made from fibrillated strips, now classified as cordage, and certain rope made from nonfibrillated plastic strips, now classified as articles of plastics, not specially provided for, will not change.

EFFECTIVE DATE: This decision will be effective as to merchandise entered for consumption or withdrawn from warehouse for consumption on or after 30 days from the date of publication of this decision in the CUSTOMS BULLETIN.

FOR FURTHER INFORMATION CONTACT: James C. Hill, Classification and Value Division, U.S. Customs Service, 1301 Constitution Avenue, NW., Washington, D.C. 20229 (202-566-8181).

SUPPLEMENTARY INFORMATION.

BACKGROUND

This document pertains to the tariff classification of certain imported polypropylene rope and twine. A petition dated November 9, 1982, was filed with Customs under § 516, Tariff Act of 1930, as amended (19 U.S.C. 1516), by the Sunshine Cordage Corporation, an American manufacturer of synthetic polypropylene rope. An amended petition was filed on December 14, 1982.

The petitioner contends that the cordage which is the subject of this petition and which is currently classified by Customs under the provision for articles of plastics, not specially provided for, n.s.p.f., in item 774.55, Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202), is more appropriately classified under the provision for cordage of man-made fibers in items 316.55 or 316.58, TSUS, depending on diameter. The current rate of duty for articles classified under item 774.55, TSUS, is 6.1 percent ad valorem, and the current rate of duty for articles classified under items 316.55 and 316.58, TSUS, is 4 cents per pound plus 10.3 percent ad valorem and 12.5 cents per pound plus 15 percent ad valorem, respectively. The petitioner correctly notes that articles classified under item 774.55, TSUS, can be entered free of duty under the Generalized System of Preferences (GSP) (see sections 10.171–10.178, Customs Regulations (19 CFR 10.171–10.178)), if imported directly from a beneficiary developing country, whereas articles classified under items 316.55 and 316.58, TSUS, cannot be entered free of duty under the GSP. Classification under either of those items also precludes the agricultural implements exemption in item 870.40, TSUS.

A notice inviting the public to comment on the petition was published in the Federal Register on April 29, 1983 (48 FR 19510) and a document correcting certain omissions in that notice was published on May 25, 1983 (48 FR 23513). The original deadline for comments was extended to August 26, 1983, by a Federal Register notice published on July 26, 1983 (48 FR 33961). However, since the comments received in response to these notices raised additional issues, another notice was published in the Federal Register on March 30, 1984 (49 FR 12801), setting forth these issues and requesting further comments by May 29, 1984. Of the 35 comments received, 28 supported the petition and 7 opposed it.

DESCRIPTION OF MERCHANDISE

The merchandise which is the subject of this document is rope made from extruded plastic film or strips which are over one inch wide, but which due to their special chemical and physical properties, are transformed into fibrillated strips while being twisted into rope strands or which are fibrillated beforehand. In the latter case, fibrillation may be accomplished by a separate twisting or by cutting with pins or knives. The final cordage product, depending on the degree of coarseness of the fibers, resembles polypropylene rope made from monofilaments. The rope for which classification will not be changed is made from twisted plastic nonfibrillated film or strips over one inch wide. The twine for which classification will not be changed is made from a single strand of twisted fibrillated strip which was one inch or less in width before fibrillation.

DISCUSSION OF COMMENTS

Generally: The multiplicity of points made in the responses translate into six major issues, as they relate to the general question of whether the instant merchandise meets the requirement in Headnote 1(a), Part 2, Schedule 3, TSUS, that cordage consist of "assemblages of textile fibers or yarns." Omitted is any discussion concerning the claims made by proponents of the petition that continuation of the lower-rate classifications will have continuing adverse economic impact on the domestic cordage industry and its suppliers and the claims made by opponents that failure of Congress to enact legislation changing the Customs classifications suggests approval of such treatment. Customs cannot consider claims of that nature.

The nonfibrillated strip issue: The first issue is raised by the petitioner's contention that the requirement in Headnote 3(d), Subpart E, Part 1, Schedule 3, TSUS, that plastic strips, in order to be regarded as textile fibers, must be not over one inch in width in their "unfolded, untwisted and uncrimped" condition, applies only to articles made of strips which are not folded, twisted or crimped. However, the plain meaning of the headnote is otherwise. The statutory language is clear and unambiguous and, therefore, must be the "primary source for the determination of legislative intent" *Merry Mary Fabrics, Inc.* v. *United States,* 1 CIT 13, 17 (1980). See also *Le Jeune, Inc.* v. *United States,* 67 Cust. Ct. 301, C.D. 4289 (1971), in which the tariff classification of crimped strips was evaluated against the headnote one-inch limitation. Accordingly, we find at the outset that the current classification of rope made from nonfibrillated strips over one inch wide is correct.

The one-inch width limitation issue: The second issue raised in the petition and opposing comments is whether Customs has properly made a distinction between cordage made from fibrillated film or strips which, before fibrillation, are over one inch wide and those which are narrower. It is stressed in the opposing comments that fibrillation of strips does not result in anything other than fibrillated strips and, therefore, the one-inch width headnote limitation applicable to strips is applicable to fibrillated strips. This view, however, is not supported by the authorities which we have consulted which rather suggest fibrillation results in a transformed product. For example, fibrillated strips are often referred to as yarns, although that is not conclusive of what constitutes a yarn for tariff classification purposes. See, for example, *Encyclopedia of*

Polymer Science and Technology (1968), vol. 9, p. 410; *Modern Textile & Apparel Dictionary* by George E. Linton (1973), p. 235; *Fiber to Fabric* by Bernard P. Corbman (5th ed. 1975), p. 476.

If not strips and therefore not technically within the one-inch width headnote limitation, the opponents to the petition contend it is within the administrative authority of Customs to apply a one-inch width limitation anyhow to establish a standard where objective criteria are called for but are not specifically set forth in TSUS headnotes, and Customs has properly applied such a standard with respect to fibrillated strips. However, arguments promoting standards or product distinctions not otherwise specifically mandated by the TSUS, to create exceptions to broader tariff classificaiton principles otherwise militating against widely disparate tariff treatment for essentially similar merchandise are not persuasive. Nor are the arguments persuasive to the extent they promote a product distinction which for much of the merchandise in question is impractical in its application. For example, for fibrillated strips which are more yarn-like and less course or ribbon-like, it is often impossible without a laboratory analysis to determine the width of the film or strips from which the fibrillated product originated. Accordingly, in connection with this review we now find that continuation of the distinction in question as it applies to the tariff classification of cordage is no longer justifiable and must be regarded as an "artifical * * * distinction * * * requiring correction" as dealt with by the court in *United States* v. *Rembrandt Electronics, Inc.*, 64 CCPA 1, 5, 6, C.A.D. 1175 (1976).

It should be further noted that the artificial one-inch limitation reflects a further misapplication of principles pertinent to determining what material a product is made of. In accordance with General Headnote 9(f)(i), TSUS, an article may be considered as "of" a given material if it is in chief value of that material, and the cost comparison is to be made at the time of final assembly. *Kores Manufacturing Corp.* v. *United States*, 3 CIT 178 (1982). However, an assembly in which materials of the same composition are joined cannot be a basis for cost comparisons, and the manufacture of cordage is generally not referred to as an assembly. Therefore, we find that the concept incorporated in the TSUS based on what a product is made "of" must be distinguished from what a product is made *from*. Accordingly, what the instant merchandise is made of must be determined as of the time of its importation in its condition as imported, and as of that time and in that condition it is made of twisted fibrillated fibers which no longer retain the characteristics of the strip or film from which it was made.

The extrusion or other process issue: The opponents of the petition argue that fibrillated strips are not textile fibers because the provision for fibers made by "other processes" in Headnote 2(b), Subpart E, Part 1, Schedule 3, TSUS, excludes products made by an extrusion since extruded products are otherwise provided for in that headnote, and the intervening fibrillation process disqualifies the merchandise from that provision. However, we find that the intervening fibrillation process warrants the opposite conclusion. It is also contended the *Kores* decision, *supra*, stands for the proposition that textile fibers cannot be formed by cutting film. However, the cutting process discounted by the court in that matter occurred after the point in time when there had to be in existence a textile fiber for component-in-chief-value cost comparisons.

The plexiform filament issue: In arguing that fibrillated strips are not subject to limitations applicable to nonfibrillated strips, the proponents of the petition claim that fibrillated strips otherwise qualify as textile fibers by falling within the definition for "plexiform filaments" in Headnote 3(c), Subpart E, Part 1, Schedule 3, TSUS, which is not subject to any dimensional criteria. The opponents disagree. The issue is whether fibrillated strips are "plexiform filaments" as that term is used in the TSUS.

The opponents cite legislative history extensively, the most pertinent part of which was cited and quoted at length in our Federal Register notice of March 30, 1984. The most pertinent secondary authority cited was *Synthetic Fibers from Petroleum* by Marshall Sittig (1967), p. 267. These materials show that the term "plexiform filaments" was coined as a variation of the term "plexifilaments" which was invented for patent application purposes by the inventors of certain man-made fibers produced by what was called dry spinning or flash spinning techniques. The term "plexiform filaments" otherwise has no current recognition in any technical references or treatises or commercial nomenclature.

Accordingly, technical opinions submitted, which both advocate and oppose the view that fibrillated strips constitute plexiform filaments, have no nexus with technical references and therefore must be regarded as conclusions principally influenced by the legislative history and other considerations from which we must draw our conclusions. However, for the purpose of the tariff classification of the instant merchandise, we abstain from drawing any such conclusions at this time because whether or not fibrillated strips constitute plexiform filaments is a moot point.

If fibrillated strips do not qualify as plexiform filaments as described by headnote definition, they would still qualify as textile fibers under Headnote 3(f), Subpart E, Part 1, Schedule 3, TSUS, which encompasses "any other fibrous structure suitable for the manufacture of textiles."

The suitability-for-use issue: The issue raised by the foregoing position as to whether fibrillated strips are suitable for the manufacture of textiles is pertinent whether or not they are regarded as plexiform filaments since qualifying as a plexiform filament under the headnote definition is also conditioned on the same suitability-for-use criterion. Accordingly, it is claimed by opponents of the petition that even if, or whether or not, they are regarded as plexiform filaments, polypropylene fibrillated strips are used only in cordage, are never used in textiles and cannot be used in textile machines, and, therefore, do not meet the suitability-for-use-in-the-manufacture-of-textiles requirement. The proponents of the petition, however, state that they are suitable for use in textiles and cite as an example use in backing for rugs. The authorities support the latter position. See, for example, *Fiber to Fabric, supra,* where uses in carpet backing are described. See also the *Handbook of* Polyolefin Fibres by J. Gordon Cook (1967), p. 420, where uses on textile machines are also referred to.

The assemblage issue: The final issue is whether single strand twine made of a single fibrillated strip, all of the foregoing considerations to the contrary notwithstanding, must still be excluded from the cordage provisions because it does not consist of "assemblages" of fibers. However, as previously discussed, all of the merchandise must be classified primarily in its condition as imported. Accordingly, even though the manufacture of single strand twine starts with a single strip, its characteristics in its fibrillated condition as imported are those of assemblages of fibers.

TARIFF CLASSIFICATION

After careful analysis of the comments, and further review of the matter, we find that polypropylene rope and twine made of fibrillated film or strips which in their condition before fibrillation are over one inch in width are properly classifiable under the provisions for cordage of man-made fibers in items 316.55 and 316.58, TSUS. Accordingly, the classification of such merchandise under the provision for articles of plastics, n.s.p.f., in item 744.55, TSUS, will be changed, and the petition is allowed to that extent.

The petition is denied to the extent that we find the classification of polypropylene cordage made of nonfibrillated film or strips over one inch wide, under the provision for articles of plastics, n.s.p.f., in item 774.55, TSUS, is correct and will be continued. We also find that the classification of twine made from a single strand of fibrillated polypropylene material, which before fibrillation was one inch or less in width, as cordage, is correct and will be continued. This decision is limited to the described rope and twine and no distinctions will be made between products made by different fibrillation processes or those having different degrees of strand courseness. Therefore, this decision is not dispositive of the tariff classification of other fibrillated plastic strip or film products. The petitioner may further argue its position on the classification of nonfibrillated rope by filing a notice of intention to contest this decision as provided for in § 175.23, Customs Regulations (19 CFR 175.23). Importers adversely affected by this decision must prosecute their disagreements under the protest procedure in Part 174, Customs Regulations (19 CFR Part 174).

AUTHORITY

This notice is published under the authority of § 516(b), Tariff Act of 1930, as amended (19 U.S.C. 1516(b)), Tariff Act of 1930, and § 175.22(a), Customs Regulations (19 CFR 175.22(a)).

DRAFTING INFORMATION

The principal author of this document was John E. Doyle, Regulations Control Branch, Office of Regulations and Rulings, U.S. Customs Service. However, personnel from other Customs offices participated in its development.

WILLIAM VON RAAB,
Commissioner of Customs.

Approved: October 17, 1985.
DAVID D. QUEEN,
Acting Assistant Secretary of the Treasury.

[Published in the Federal Register, November 4, 1985 (50 FR 45812)]

(T.D. 85-184)

Approval of Glen Hill Inspection Company To Gauge Imported Petroleum and Petroleum Products

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Notice of approval.

SUMMARY: Pursuant to § 151.43(b), Customs Regulations (19 CFR 151.43(b)), Glen Hill Inspection Company, P.O. Box 1842, Pasadena, Texas 77501, has applied to Customs for approval to gauge imported petroleum and petroleum products. It has been determined that Glen Hill Inspection Company meets all of the requirements to be a Customs approved public gauger.

Accordingly, the application of Glen Hill Inspection Company to gauge imported petroleum and petroleum products in the Customs Districts of Houston-Galveston, Texas, and Port Arthur, Texas, is approved.

DATE: November 20, 1985.

FOR FURTHER INFORMATION CONTACT: Roger J. Crain, Technical Services Division, U.S. Customs Service, 1301 Constitution Avenue, NW., Washington, D.C. 20229 (202-566-2446).

Dated: November 4, 1985.

ROGER J. CRAIN,
Chief,
Technical Section, Technical Services Division.

ATTACHMENT B

SUMMARY
OF
ACNM POSITION ON
FIBRILLATED POLYPROPYLENE CORDAGE

A. INTRODUCTION

We believe the history and text of the TSUS demonstrate, and Customs Service subsequent rulings clearly express, that "fibrillated strips" are definitely plexiform filaments and are textile man-made fibers for tariff purposes; there is no question that a "fibrillated strip," regardless of degree of fibrillation or when it occurs, which has been twisted and imported as cordage constitutes cordage for tariff classification purposes and further processing to reduce fibrillation, such as ironing, is irrelevant if the polypropylene has been oriented.

B. Production of a Fibrillated Strip

A "fibrillated strip" however derived, from cellulosic or noncellulosic material, is a plexiform filament. "Fibrillated strip" describes an intermediate stage of production for many products like polypropylene cordage. The structure can be described as a fibrous network or plexus - a plexiform filament, which, either alone or in combination with others, may be twisted into cordage or woven to form a textile product.

Fibrillation is a naturally occurring process. To fibrillate a piece of plastic film, then, is to form it into a network or assemblage of small filaments or fibers (fibrils) which exist within the structure, whether or not visible to the natural eye. The orientation process, in one operation, converts the extruded plastic film into a plexiform filament structure with high machine direction strength and virtually no transverse direction strength. The plexiform filaments or monofilament are wound on conventional textile winders.

For certain textile end uses the oriented film can be subjected to a separate fibrillation process to enhance the natural fibrillation which plexiform filaments exhibit. Other finishing processes may be used to lessen the degree or visibility of fibrillation. Additional processing steps may then be added to change the shape or outward appearance of the product; these steps do not, however, have any impact upon the fibrillation which is inherent in orientation.

C. Appropriate Treatment of Cordage Products Made from Fibrillated Polyolefin Under the TSUS

The definitions of both "plexiform filaments" and "strips" were included in the current TSUS when it was enacted in 1963 and they have remained unchanged since that time. The description of plexiform filament was an attempt by the Commission provide for clear definitions which should not be avoided by "manipulation."

The definition of cordage in the TSUS carries a clear end use designation which cannot be ignored. There has never been any other intended use for the imported products in question than as cordage. They should, therefore, be classified as cordage because they fit the description of cordage as to construction and are intended for end use as cordage.

D. Summary

The language of T.D. 85-183 is clear: "polypropylene rope and twine made of fibrillated film or strip which in their condition before fibrillation are over one inch in width are properly classifiable under the provisions for cordage of manmade fibers in items 316.55 and 316.58, TSUS." Those not fibrillated are not. The issue of "how much fibrillation" is a red herring. inherent in the above-quoted portion of the determination is the historical use provision. These items are used as cordage; they are made of fibrillated polypropylene; therefore they are classifiable under 316.55 and 316.58, depending upon fiber diameter. Any other classification would require a change of practice procedure on behalf of the Customs Service.

DONOHUE AND DONOHUE
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July 13, 1988

Our File: 0562-01

The Committee on Finance
United States Senate
205 Dirkson Building
Washington, D.C. 20510

Attention: Ms. Laura Wilcox, Hearing Administrator, Room SD-205
Mr. Edward Mihalski, Room SH-203

Re: U.S. Customs Service, Budget Authorization

Dear Sir or Madam:

This letter is submitted on behalf of the companies listed below in response to the invitation to file written statements in connection with the hearings of the Committee on Finance concerning the authorization of the U.S. Customs Service budget. The companies are:

Exxon Company, U.S.A., Division of Exxon Corporation
Chevron U.S.A., Inc.
Arco
Sun Refining and Marketing Company
Texaco Inc.
Marathon Oil Company
BP America Inc.
Mobile Oil Corporation
Phillips 66 Company
Union Pacific Resources

The Customs Service recently issued a ruling concerning the administration of the drawback law (Customs Service Decision 88-1, 22 Cust. Bull. No. 25, 9). The ruling requires daily and tank-by-tank accounting for petroleum products commingled in storage prior to exportation. In the view of the above companies, this ruling greatly reduces the availability of duty drawback on certain categories of petroleum products.

On January 28, 1988, on behalf of the above companies, we submitted a memorandum to U.S. Customs to explain in detail the legal arguments and practical reasons why the ruling should not be issued. The purpose of the drawback law is to encourage the exportation of products manufactured in the United States by removing import duties as a cost of doing business in the international market place. The effect of C.S.D. 88-1 is to make petroleum products manufactured in the United States less competitive to airlines, steamship operators and other international customers.

We request that your committee review this ruling and urge the Customs Service to reconsider the ruling in light of the stated purpose of the law and the practical considerations governing petroleum manufacture and accounting.

Enclosed are copies of the ruling, our memorandum of January, 1988, a brief statement outlining the position of the above petroleum companies, and questions for your committee.

We would be pleased to provide any additional information you may require. Thank you for your consideration.

Very truly yours,

William J Phelan

William J. Phelan

SUMMARY OF POSITION REGARDING CUSTOMS SERVICE DECISION 88-1 ON COMMINGLED PETROLEUM PRODUCTS

1. If imported material is used to produce a product in the United States which is then exported, Customs will refund the duties which have been paid on the imported material used in production. This refund is known as "drawback". The purpose of this law is to assist U.S. manufacturers to compete in foreign markets without having their products saddled with the cost of U.S. duties.

2. Aircraft and vessel fuel produced in the United States from imported crude oil and used in foreign-bound aircraft and vessels is considered exported and entitled to drawback.

3. Drawback-eligible fuel is often commingled in storage tanks at airports and terminals with nondrawback-eligible fuel. Some facilities have numerous tanks containing both drawback and nondrawback fuel.

4. Customs has published a ruling (C.S.D. 88-1) that requires daily accounting for drawback and nondrawback product commingled in storage tanks. This means that for each day and for each tank, Customs will demand an accounting of the quantities of drawback and nondrawback product added to and withdrawn from inventory, and the use of all quantities withdrawn. The industry, however, uses monthly accounting procedures and treats all

interconnected tanks in a given tank farm as one unit; at a busy airport there can be 70 or more jet fuel tanks. The procedures required by Customs are burdensome, time-consuming, will require hiring additional personnel, and will increase the costs of claiming drawback. Several companies have indicated these costs and burdens will lead them to forego claiming drawback on commingled fuel.

5. Daily accounting is not required by law. Prior Customs decisions have stated that the method of identifying commingled product is a matter of administrative discretion, and that the law should be construed in a manner that best accomplishes its purpose.

6. Customs Service Decision 88-1 should be revoked and Customs should permit:

a. monthly accounting of the total drawback-eligible product put into commingled storage, and the total withdrawn for export purposes, and permit drawback to the extent that the quantity exported during the month does not exceed the quantity of drawback-eligible fuel entered into the tank.

b. treatment of tank farms as one unit, obviating the need to keep records for each tank.

7. Revocation of C.S.D. 88-1 would avoid increased recordkeeping costs, would be consistent with the intent of the drawback law, and would allow U.S. refiners to compete with foreign and offshore suppliers of aircraft and vessel fuel.

QUESTIONS FOR APPROPRIATIONS COMMITTEE

"Drawback" refers to the refund of Customs duties paid on imported merchandise used in the production of products that are exported. The domestic petroleum industry produces numerous products that are eligible for drawback, but frequently commingles such product with identical product which is not eligible for drawback. The Customs Service has issued a decision, C.S.D. 88-1, that requires exporters of product from commingled storage to account, on a daily basis, for the movement of both drawback and nondrawback product into and out of the commingled inventory. This ruling will have a serious effect on the petroleum industry supplying jet fuel for use in foreign-bound aircraft and bunker fuel for ships in international trade, as well as in other areas involving commingled products. Such fuels are routinely commingled in storage, and the petroleum industry typically maintains monthly records of inputs and withdrawals.

Additionally, such fuels are stored in tank farms, consisting of storage areas where numerous tanks with the same product are interconnected. The ruling would require, in addition to daily records, separate records of the contents of each tank on a daily basis, rather than consolidated records of the entire tank farm. The petroleum industry has argued to Customs that daily, tank-by-tank accounting is inconsistent with industry practices and would cause companies to incur higher costs related to drawback claims or would cause companies to forego drawback completely. The industry proposes, instead, to account on a monthly basis and to treat an entire tank farm as a single unit. The Customs Service has acknowledged that the procedure for identifying drawback product is a matter of administrative discretion.

1. In view of the fact that the purpose of the drawback law is to assist domestic industries to compete in foreign commerce, should not Customs permit monthly accounting and the consolidation of all tanks as a single unit, since this approach will permit the claiming of drawback in the most cost-effective way?

2. The petroleum industry presented extensive arguments in opposition to C.S.D. 88-1, by memorandum dated January 28, 1988. Although Customs met with representatives of the petroleum industry prior to the submission of this memorandum, Customs never responded to requests to meet to discuss the arguments raised in that memorandum. In light of this refusal to discuss and consider the petroleum industry's position, would it not be appropriate for the Customs Service to reconsider C.S.D. 88-1?

3. C.S.D. 88-1 will unnecessarily increase the complexity of drawback claims, thereby increasing the time and costs to be incurred by Customs auditors in reviewing such claims. Is this increased administrative cost warranted?

INTERNATIONAL ASSOCIATION OF AIRPORT DUTY FREE STORES

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IAADFS

Telephone: (202) 857-1184
Telex: 89582
Ans. Bc: ASSN HQTRS WSH

July 11, 1988

The Honorable Lloyd Bentsen
Chairman, Committee on Finance
205 Senate Dirksen Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

The International Association of Airport Duty Free Stores (IAADFS) is pleased to have this opportunity to supply written comment for the record of your Customs authorization hearings, held on June 16, 1988. Our comments will focus exclusively on the issue of Customs user fees.

While no formal legislation to revise the Customs user fees has been introduced in either House, the Administration has expressed its intent to do so, largely as a result of an adverse panel ruling under the General Agreement on Tariffs and Trade (GATT) concerning the form of the present ad valorem fee. A draft bill has been circulated widely in the trade community and on Capitol Hill and appears to be the legislation that ultimately will be proposed by the Customs Service. It is that proposal that we address.

We must note that the proposed legislation raises many fundamental questions both within our industry and elsewhere in the trade community that require a thorough response from Customs and careful review by the Committee. An issue of this importance demands a formal hearing before this Committee and we therefore urge you to avoid any expedited approach that might preclude this opportunity. The original GATT ruling was issued in November, 1987, the Administration has not pressed for introduction of legislation, and there is little evidence that time is an imperative.

Second, looking at the issue at a very general level, we note our concurrence with the view of most of the trade sector, both importers and exporters, that a customs user fee is an undesirable burden on commerce. With regard to our industry in particular, duty free stores are in fact exporting entities which bring foreign dollars to the U.S. in substantial amounts. User fees burden our industry directly and indirectly, in the fees we would pay and the business that would be foregone.

While we oppose the user fee and support the GATT decision invalidating that fee, there is much about the present ad valorem system that is appealing. It is easy to administer; it is proportionate to the worth of the transaction to the paying entity; it does little to influence the redirection of purchasing habits or other commercial patterns; the cost is fixed by statute and therefore predictable; cost has proven to be no severe burden to particular economic sectors; and, the process is reasonably uncomplicated.

While Congress may have no recourse but to revise this system, these are objectives that should not be abandoned.

Turning to the merits of the Administration's proposal, the bill troubles us in several ways. The most troubling aspect is the procedure by which Customs proposes to establish fees: Customs requests carte blanche from Congress to establish which transactions are to be assessed and how much the assessment shall be. Based on its calculations, Customs would post an annual list in the Federal Register and begin collections 15 days later. This open-ended administrative procedure would plainly encroach upon this Committee's jurisdiction, upon Congress' constitutional prerogatives, and would most likely violate laws which set forth procedures for action by agencies of the Executive Branch. It is a license to tax that has no precedent. The Service requests authority granted to no other revenue collecting agency. And, the proposal minimizes the role of any other body to influence its decisions. In fact, at the present time, the Customs Service has projected a fee system that will raise revenues sufficient to match Customs' cost of commercial operations, but will not make those projections (or the underlying analysis) available to the trading community. To our knowledge, the Committee also has not been made privy to that fee schedule. We can only guess at what is to be the subject of a fee and only hope that it is within the realm of reason.

Coupled with Customs request for broad authority to levy user fees is language in the proposed bill that substantially expands the scope of user fees well beyond their application today. While much of the rationale for the new legislation has been to comply with GATT, this legislation unnecessarily reaches beyond those bounds to incorporate activities that heretofore have not been included within the statute. Under present law, the user fee is assessed on "merchandise formally entered, or withdrawn from [a customs bonded] warehouse for consumption", subject to several specific statutory exceptions. The legislation proposes "fees for any type of consumption entry (including informal entries and temporary importation under bond entries), transportation entry, entry of articles into and withdrawal of articles from a bonded warehouse, and admission of articles into and transfer and removal of articles from a foreign trade zone". There have been strong policy reasons for the user fee limits established by this Committee, one of which has been recognition of the burden that compound fees put on the operation of duty-free stores. Mr. Chairman, great care must be taken to review the reach of Customs' language. The Committee has always taken pains to minimize its burden on commerce, and on particular industries, where policy determinations dictated. To provide unfettered discretion within Customs to seek revenue and to affect industry without this guidance would have grave consequences.

Finally, some rationale must be provided the Committee as to how Customs proposes to determine the magnitude of the fees. Are automated entries to trigger a higher user fee than manual entries? What is the rationale for this? Should manual entries logically underwrite Customs efforts to move into automation? How do you measure the cost of a consumption entry for a bonded warehouse? Is there some calculation for this based on administrative costs that is proportionate to differing administrative costs for a formal entry for textiles, arriving under quota and subject to intensive examination? Frankly, the questions are endless and implementation could easily be arbitrary given the myriad of questions that promise to confound its planners. While Congress may not wish to delve into details of this kind, its guidance to Customs must be sufficient to give the public confidence that there is some rationale for their quantification.

Mr. Chairman, should the Committee actively consider this legislation, we are prepared to address the proposal in more detail. In the interim, however, IAADFS wishes simply to alert you to difficulties that we have with this proposal from the very start. In its present form, it grants unprecedented revenue-raising discretion to a federal agency. Future revisions and explanations must clarify Customs' intent and provide a detailed rationale. And, Customs must demonstrate to the trading community that its fees will be both administratively feasible and a neutral factor in the conduct and viability of their industries.

Sincerely,

David H. Bernstein

David H. Bernstein
President